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TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

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HEARINGS

BEFORE THE

SELECT SUBCOMMITTEE ON LABOR

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 4257 and H.R. 4271

BILLS TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED, AND FOR OTHER PURPOSES

HEARINGS HELD IN WASHINGTON, D.C.
FEBRUARY 4, 5, 9, 10, 16, 17, 18, AND 19, 1965

Printed for the use of the Committee on Education and Labor

ADAM C. POWELL, *Chairman*

U.S. GOVERNMENT PRINTING OFFICE
45-100 WASHINGTON : 1965

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TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

THURSDAY, FEBRUARY 4, 1965

HOUSE OF REPRESENTATIVES,
SELECT SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The select subcommittee met at 10 a.m., pursuant to call, in room 214–B, Longworth Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara, Gibbons, and Hathaway.

Staff members present: Dr. R. E. L. Knight, director of the subcommittee; and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'HARA. The Select Subcommittee on Labor of the House Committee on Education and Labor will come to order.

The purpose of today's hearing is to hear the Secretary of Labor testify concerning H.R. 4257, introduced by the gentleman from Pennsylvania, Mr. Holland, the chairman of the subcommittee, and H.R. 4271, introduced by the gentleman from New York, Mr. Powell, who is the chairman of the Education and Labor Committee of the House.

(The bills, H.R. 4257 and H.R. 4271, are as follows:)

[H.R. 4257, 89th Cong., 1st sess.]

A BILL To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new paragraphs (6) and (7) at the end thereof to read as follows:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants or contracts, with public or private nonprofit agencies, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of con-

sultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

"(7) stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment."

SEC. 3. Sections 103 and 104 are renumbered 105 and 106 and new sections 103 and 104 are added to read as follows:

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 103. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expect to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE BONDING DEMONSTRATION PROJECTS

"SEC. 104. During the period ending June 30, 1967, the Secertary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

SEC. 4. Section 202(i) of the Act is amended by striking the words "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.", and by changing the comma after the word "Act" to a period.

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons under-

going training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection:

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week."

(b) Section 203(b) of the Act is amended by inserting a comma after the word "transportation" where it first occurs, striking out the language after that word and before the word "*Provided*" and inserting the following in lieu thereof: "and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than " and insert "at least" in lieu thereof;

(2) Insert a colon after the words "gainful employment", strike everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: "*Provided*, That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Section 203(d) is amended to read as follows:

"For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid in accordance with the provisions of section 241."

(e) Section 203(h)(2) of the Act is amended by striking everything in the first sentence after the term "1965" and inserting in lieu thereof "and for 90 per centum of the amount of such benefits paid thereafter."

SEC. 6. Section 208 is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: "For the fiscal year ending June 30, 1965, Federal payments under this part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this part shall be made in accordance with the provisions of section 241."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

"SEC. 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. Title II of the Act is amended by adding part D to the end thereof to read as follows:

"PART D—REDEVELOPMENT AREAS

"SEC. 251. (a) Notwithstanding any limitation in the other provisions of this Act, the Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas under the Area Redevelopment Act. Such program shall, insofar as practicable, be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the needs and the eligibility of persons for training under this section;

"(2) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(3) no funds available under this section shall be generally allocated to any State pursuant to any agreement entered into under this Act, nor shall any State or local matching funds be generally required, nor shall any apportionment of funds be made among the several States, except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.

"(c) The expiration or termination of any other part of this Act shall not terminate the authority conferred by this section unless an Act of Congress explicitly so provides."

SEC. 10. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act," inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946."

SEC. 11. Section 304 is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary."

SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 13. Sections 309(a) and 309(b) are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year."

SEC. 14. Title III is amended by repealing section 310.

[H.R. 4271, 89th Cong., 1st sess.]

A BILL To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new paragraphs (6) and (7) at the end thereof to read as follows:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants or contracts, with public or private nonprofit agencies, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

"(7) stimulate and assist, in cooperation with interested agencies both public and private job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment."

SEC. 3. Sections 103 and 104 are renumbered 105 and 106 and new sections 103 and 104 are added to read as follows:

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 103. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE BONDING DEMONSTRATION PROJECTS

"SEC. 104. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

SEC. 4. Section 202(i) of the Act is amended by striking the words "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.", and by changing the comma after the word "Act" to a period.

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week."

(b) Section 203(b) of the Act is amended by inserting a comma after the word "transportation" where it first occurs, striking out the language after that word and before the word "*Provided*" and inserting the following in lieu thereof: "and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" and insert "at least" in lieu thereof;

(2) Insert a colon after the words "gainful employment", strike everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: "*Provided*, That they are not members of a family or a household in which the head of the family or the head

of the household as defined in the Internal Revenue Code of 1954 is employed.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Section 203(d) is amended to read as follows:

"For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid in accordance with the provisions of section 241."

(e) Section 203(h)(2) of the Act is amended by striking everything in the first sentence after the term "1965" and inserting in lieu thereof "and for 90 per centum of the amount of such benefits paid thereafter."

SEC. 6. Section 208 is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: "For the fiscal year ending June 30, 1965, Federal payments under this part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this part shall be made in accordance with the provisions of section 241."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

"SEC. 241. During the fiscal year ending June 30. 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. Title II of the Act is amended by adding part D to the end thereof to read as follows:

"PART D—REDEVELOPMENT AREAS

"SEC. 251. (a) Notwithstanding any limitation in the other provisions of this Act, the Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas under the Area Redevelopment Act. Such program shall, insofar as practicable, be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the needs and the eligibility of persons for training under this section;

"(2) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(3) no funds available under this section shall be generally allocated to any State pursuant to any agreement entered into this Act, nor shall any State or local matching funds be generally required, nor shall any apportionment of funds be made among the several States, except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.

"(c) The expiration or termination of any other part of this Act shall not terminate the authority conferred by this section unless an Act of Congress explicitly so provides."

SEC. 10. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act," inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946."

SEC. 11. Section 304 is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary."

SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 13. Sections 309(a) and 309(b) are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year."

SEC. 14. Title III is amended by repealing section 310.

Mr. O'HARA. During the temporary absence of Mr. Holland, I have been asked by him to chair the meeting.

Mr. Secretary, I would like to apologize for more members of the subcommittee not being present. As you know, President Johnson seems to have some feeling about moving along with the legislative program this year. As a consequence, the full committee is already deeply involved with several other bills.

Other subcommittees are meeting daily—morning, afternoon, and evening—on the two education proposals received by the committee a couple of weeks ago. I want to assure you though that Mr. Hathaway and myself are not reluctant about expressing our opinions and we will communicate your views to the others.

Our first and only witness today is the Secretary of Labor, the Honorable Willard Wirtz. Mr. Secretary, you have submitted a statement, and without objection it will be included in the record at this point. If you now wish to speak extemporaneously to summarize your statement, we will be very pleased to have you do so.

(The statement referred to follows:)

STATEMENT OF W. WILLARD WIRTZ, SECRETARY OF LABOR

Mr. Chairman, and members of the committee, "full employment opportunity for every American citizen," this was President Johnson's forthright description, in his state of the Union message, of the essential keystone of economic freedom—so far as the individual is concerned.

It is clear now that there will be full employment opportunity for every American citizen only if two policies are pursued:

One, the economic policy of promoting that degree of overall economic growth which will produce the demand for enough work to occupy the full work force;

Two, the manpower policy of matching people and jobs, of supplying the manpower needs that develop, of getting people into the jobs that exist—or can be developed.

Precise, or even reliable, figures in the second area are not available. But I am confident that large numbers of unemployed workers will not be put to work unless we develop an active manpower policy that goes hand in hand with economic policy.

Stated differently, I think that the present and prospective unemployment level—of about 3¾ million people—can be reduced through the further develop-

ment of manpower policy, and that this potential reduction will not come about through economic growth alone, without risking inflation and serious constraints on mobility and availability of labor.

This is, in general, the view which prompted Congress enactment of the Manpower Development and Training Act of 1962. That pioneering legislation established the firm basis for an affirmative manpower policy in this country.

The President clearly emphasized these principles in his Economic Report in January when he said:

"To a substantial degree, strong demand for labor will bring workers and jobs together. But sole reliance on strong demand would place price stability under an unnecessary threat. And the time needed for such adjustments would place unnecessary burdens upon displaced employees and new entrants to the labor market.

"To reduce human costs, raise productivity, and make possible full employment without inflation, this administration is developing an active manpower policy."

The effectiveness of this policy is now clear from the record of proven experience:

(1) Over 300,000 unemployed men and women will have been trained under Manpower Development and Training Act programs already completed, now in course, or presently approved.

(2) Approximately three out of four of those completing their courses have obtained jobs, most of them training-related.

(3) Another 60,000 have been reached through special projects tailored to the needs of the specially disadvantaged, the alienated, the bypassed.

(4) Nearly half of these trainees had been out of work 15 weeks, or longer, when they entered the training courses.

(5) Six out of every ten trainees have been responsible for families or households.

(6) A fourth of the trainees have been from nonwhite groups.

(7) There have been training programs in every State in the Nation.

It has been amply demonstrated that the training and retraining of unemployed workers is a sound social and monetary investment. Detailed studies of training programs in a number of States have been made. They show that with few exceptions, persons taking training programs have fared considerably better in the job market than those who did not. A Brookings Institute study reports that $623,000 in training costs on one program yielded a return of $3,300,000 in benefits.

Yet the manpower challenges of an expanding economy are still with us—manpower shortages, 20 million Americans who today do not have the minimum training required for most jobs, rapidly accelerating technological innovations and changing job needs, and the tremendous increasing numbers of young people entering the labor force.

The remarkable growth in output and employment during the past year reflects the enlightened fiscal policy which is an initial element in the growth of the great society. Yet unemployment, at close to 5 percent at the end of 1964, remains our most serious economic problem. It is serious not only because of its level, but more importantly because of the impact on certain groups. The 5 percent includes rates of 15 percent unemployment for teenagers, 10 percent for nonwhites, and 11 percent for the unskilled.

These differentials are some measure of the structural problems of individual groups. They have persisted in both prosperity and recession. They underscore the need for specific manpower programs to supplement the general provisions for employment opportunities.

The time has come to further strengthen the Manpower Development and Training Act program, to expand it, to improve it in the light of experience, to make necessary adjustments in its financing, and to remove the limitation imposed by a specific termination date.

Under the present terms of the Manpower Development and Training Act, all occupational training authority conferred under title II would terminate on June 30, 1966 (sec. 310). This would mean that the program would begin to grind to a halt in the latter part of this year. The bill would repeal this termination date (bill, sec. 14).

We must face squarely the need for a more permanent involvement of the Federal Government in financing the act's vital programs.

The statutory 33⅓ percent matching requirement will go into effect on June 30 this year if not amended. (Secs. 203(d) and 231.)

The administration recommends that for fiscal year 1966 and thereafter the Federal contributions for training and allowances under the act should be up to 90 percent and that non-Federal contributions be in cash or in kind. (New sec. 241.)

It is now clear that a majority of States will not be in a position to meet the present matching requirements by July 1 of this year. This is in no way a reflection of inadequate interest or concern. Quite the contrary. Virtually all of the State Governors have expressed their strong desire to see the program continue. Many have specifically requested that the matching requirements now in the statute be eased.

The causes of unemployment are national in scope and should be borne more evenly across the Nation.

Many States and local governments find themselves virtually unable to provide substantial matching funds Many have already turned to debt financing. Last June, their bonds and other debts totaled over $92 billion—three times the level of a dozen years ago.

The 90–10 matching amendment is necessary to prevent serious disruption of the act's programs. It will permit the Federal Government to carry a greater part of the costs of this essential program and still retain local financial involvement.

One of the most significant new provisions is the amendment to title I of the act which is designed to give nationwide attention and direction to the job development program the President has directed be launched as part of the program to achieve full employment opportunity in America. (New sec. 102(7).)

The existing Manpower Act is, of course, a broad charter for the development of an active manpower policy. It does not, however, directly refer to the development of jobs.

The President's statement on Monday concerning this program pointed out that he is convinced there are substantial unmet needs in the service industries.

One of the important findings we have made under the operation of the existing Manpower Act is that there is a great potential for job development and for trained people in a myriad of service activities, and that these unfilled needs are likely to go begging unless additional steps are taken to develop them.

The proposed amendment will give clear direction to what must be an integral part of the compehensive manpower policy—the active development of jobs in the service area.

The implementation of this proposal will be carried out in closest cooperation, not only with all appropriate Federal agencies, such as the Department of Commerce, Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Small Business Administration, but with management and labor and local community representatives. Committees representing business and labor in particular industries will help develop the programs.

Labor standards will be carefully preserved. In fact, this program should contribute to raising standards. Service industries would become more productive and more responsive to the availability of the growing value of consumer income that is ready to pay for services.

We expect the major emphasis of the job development program to be in the service industries.

An increasing proportion of the consumer dollar is going to pay for services. Between 1954 and 1963, for example, this proportion increased from 36 to 41 percent.

Accelerated efforts to develop job opportunities in the service sector of our economy will thus meet two needs: those of customers for services, and of workers for jobs.

The purpose of the proposed new section 102(7) is to enable us to do this.

The absence of a positive program to meet the increasing demand of consumers for services has impeded the development of many thousands of additional service jobs. Unless we take affirmative action, this absence will become more and more significant in future years.

We are proposing important changes in the training allowance provisions of the existing act.

The amount and duration of these allowances determine the size of the program and kinds of people who can avail themselves of training. In general, the training allowances are low, especially for trainees with large families. Fifteen percent of our trainees have four or more dependents. About 10 percent have five or more.

The first change would permit training allowance support for up to 2 years, to provide the flexibility necessary to train for the higher skills required in our changing economy. (Bill—sec. 5(a)(1).) Few of the current programs can be of sufficient duration to prepare unemployed workers for the highly skilled or technical occupations which are in greatest demand in our current economy and provide the greatest prospect for long-range employment.

The present 1-year limitation (sec. 203(a)) results in some programs being accelerated to the point where trainees drop out because they cannot adjust to the highly intensified courses. These are often the ones who have the greatest need for the training and can benefit the most from it.

We propose an amendment to permit the payment of training allowances to single persons without dependents. (Bill—sec. 5(c)(1) and (2).) Experience has shown that exclusion of these people from training allowances, particularly mature women forced to return to the labor force, deprives them of much needed training.

It is recommended that the act be amended to permit more than one person in a household of which the head is unemployed to receive training allowances. (Bill—sec. 5(c)(2).) This will permit enlarged training opportunities for the most severely impoverished family groups. Among the 9½ million families in the United States who live in poverty there are many in which it would be beneficial to provide training for more than 1 member to facilitate their escape from the poverty cycle.

It is proposed to increase allowances by $5 per week for each dependent over two up to a maximum of four additional dependents. (Bill—sec. 5(a)(1).) These increases are urgently needed because the pressure of heavy family responsibilities frequently force workers who need training the most to drop out of the program. The regular weekly training allowances, which are based on State unemployment insurance levels, are low. They range from $24 to $44, with some trainees drawing up to an additional $10. Many of the training programs are in the States having the lowest allowances. They are frequently not enough to enable a trainee to support his family, particularly for the more long-term training periods.

A proposed change in the provision for payment of daily transportation costs is based on the experience that these costs are often a factor in the individual's ability to accept training. In some instances, these costs absorb 20 percent of the training allowance. This proposed amendment will permit payment of these costs when it is found necessary for effective operation of the program. (Bill—sec. 5(b).)

Another amendment would permit on-the-job trainees to engage in 20 hours of outside work without reduction of their allowances, as institutional trainees are now permitted. (Bill—sec. 5(a) (3) and (4).)

Two technical changes are also included. One merely gives the Secretary of Labor some administrative flexibility in computing the number of youths who can receive training allowances. (Bill—sec. 5(c)(3).) The other improves the method of computing the average weekly unemployment compensation payment in the States upon which weekly training allowances are based. (Bill—sec. 5(a)(1).)

Experience also dictates several significant changes in title I of the Manpower Development and Training Act.

The first of these, by removing the $3 million ceiling on title I, will permit expansion of manpower research. (Bill—sec. 11.)

Advancing the frontiers of knowledge is as important in the field of manpower policy as in the physical sciences. Indeed, unprecedented scientific and engineering breakthroughs constantly increase the urgency of obtaining new insights into their impact on the human beings who make up our work force. Advancing technology has brought us to a level of material well-being which would have been thought utopian a few decades ago. But this very development has, in some quarters, created forebodings about the "manpower impact of automation."

I do not share the view that this Nation cannot cope with the social costs of economic change. Of course, we can—witness such successful innovations as the Manpower Development and Training Act itself. But it is going to require expanded efforts on manpower and automation research.

Manpower Development and Training Act research, in the past 2 years, has already had an important influence upon manpower policies and programs. But, because of fund limitations, the scope of the program has been limited.

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We need, for example:

More information on the impact of technological developments on manpower, and new approaches for obtaining such data;

Studies of selected groups of individuals to disclose the relationship of their previous work histories, education, training, and motivation to their employment and unemployment experiences;

New research on aptitude and achievement testing and counseling with special reference to the many needs of culturally deprived young people;

New and better techniques to translate technological innovations into new job requirements and new educational and training needs.

With more and more attention directed at the development of "space hardware," young people have not gone into the social and behavioral sciences in anything like the numbers required to meet the emerging demand in the manpower area.

To help correct this shortage we need to develop manpower research capabilities not only at the national level, but at the regional and local levels where most of the day-to-day manpower problems must eventually be solved.

For this purpose regional manpower research centers will be developed at academic or closely affiliated institutions to serve as an arm of the Department and of the Regional Manpower Advisory Committees.

With 15 percent of the proposed Federal budget going into research and development—largely in physical sciences and technology—human resource research must not be neglected.

Experience under experimental and demonstration projects suggests that most of the talk about "unemployables" is misleading. New techniques of "human renewal" hold great promise of the possibility of neutralizing the individual circumstances in which many of the disadvantaged find themselves.

New approaches must be developed to meet these special needs. This pioneering pays for itself many times over by suggesting ways in which regular training projects can be improved and by returning society's castoffs to useful economic citizenship.

To date, more than 100 special projects, serving almost 60,000 individuals and using a wide variety of public and private organizations, have been authorized. The results of some of these projects have already been put to work in improving services to unemployed workers in regular Manpower Development and Training Act operations and in attacking complicated manpower problems.

We have only begun to explore the exciting possibilities in this area. It is accordingly proposed that specific authority be incorporated in title I of the act for a program of experimental, developmental, and demonstration projects financed through grants or contracts. (Bill—sec. 2(b).) Such activities should be conducted in close association with other forms of research under title I.

Placing the authorization in title I will free the experimental program from the State matching and apportionment requirements. This is appropriate for a research-like activity concerned with finding solutions to be applied nationally.

Finally, it is proposed to add to the research-experimental programs of title I authorization for two specific pilot programs—relocation assistance for unemployed workers for whom there are no jobs in their home community, and bonding assistance for trainees who cannot obtain the indemnification required for some types of employment. (Bill—sec. 3.)

The objective of these two programs is to obtain experience which will enable us to determine the usefulness of such assistance in reducing unemployment and as part of a comprehensive manpower program. The results will serve as a basis for recommendations for more extensive programs, if they prove warranted.

Section 208 now authorizes up to $4 million for a pilot labor mobility program. This present authority expires June 30, 1965.

The primary objective in planning programs under section 208 has been to learn as much as possible about the effectiveness of relocation assistance. Some projects will operate through facilities of the Federal-State employment security system and others through private nonprofit organizations.

To develop sufficient knowledge, projects must be undertaken in different regions, with urban and rural workers, and among different socioeconomic groups.

The limitations of section 208 preclude accomplishing this by June 30. It is proposed that section 208 be moved into title I of the act and that it be amended to extend the program for 2 more years, with authorization for appropriations of up to $5 million for each year, and with greater flexibility and discretion with respect to providing financial assistance for moving and related expenses.

The new section 104 calls for specific statutory authority to develop and carry out experimental projects in the placement of persons who have completed a federally sponsored manpower program, but cannot obtain commercial fidelity bonds at reasonable cost.

Some Manpower Development and Training Act trainees have juvenile records. We have attempted to train and place these workers in jobs which do not require bonding. The results of these efforts have been very encouraging. However, this limited approach excludes a whole range of job opportunities—for example, those which require handling money, and licensing. We must explore ways to open these opportunities to persons we are trying to rehabilitate.

This proposal would authorize not more than $200,000 in fiscal year 1966 and $300,000 in fiscal year 1967, to make payments to or contracts with agencies authorized to indemnify employers against possible loss resulting from the employment of such persons. This would permit gaining demonstrable experience in placing rehabilitated persons with records of offenses against property.

Finally, it is proposed to incorporate training under the Area Redevelopment Act within the Manpower Development and Training Act (bill, sec. 251). The Area Redevelopment Act preceded the Manpower Development and Training Act. It contains, along with many other features to assist in the rehabilitation of the economies of depressed areas, provisions for retraining the unemployed.

From the time the first project was approved in 1961, through December 31, 1964, 892 projects authorizing training for 40,000 workers have been approved under the Area Redevelopment Act. Training has been limited to the lower range of occupational skills, since allowances are restricted to 16 weeks.

Despite some differences, the training programs under Area Redevelopment Act and Manpower Development and Training Act are, in purpose, administration, and program content, very similar. It is proposed to merge both activities under the Manpower Development and Training Act, but with full Federal financing and without apportionment among the States. These latter features reflect the purpose of the original Area Redevelopment Act.

To move toward the goal of full employment opportunities and to meet the demands of a society on the threshold of greatness, the Nation must proceed with a far-reaching manpower development program.

The proposed Manpower Act of 1965 will provide such a program.

STATEMENT OF HON. W. WILLARD WIRTZ, SECRETARY OF LABOR; ACCOMPANIED BY SAMUEL MERRICK, SPECIAL ASSISTANT SECRETARY FOR LEGISLATIVE AFFAIRS; STANLEY C. RUTTENBERG, MANPOWER ADMINISTRATOR; AND EDWARD FRIEDMAN, DEPUTY SOLICITOR OF THE DEPARTMENT OF LABOR

Secretary WIRTZ. Thank you, Mr. Chairman. I have with me three others who have been working closely with the development of this program, and with your permission I would like to include them in our representation here, and in our presentation on particular questions which may arise.

They are Stanley C. Ruttenberg, Manpower Administrator; Edward Friedman, Deputy Solicitor of the Department; and Mr. Samuel Merrick, Special Assistant to the Secretary for Legislative Affairs.

With respect to your suggestions that the statement be filed and I simply summarize it, I shall be very grateful for the opportunity to handle it that way, particularly because what we have here is on the one hand a matter of broad policy, which does prompt the fullest possible explanation of it in the statement, but on the other hand, too, a matter of specific detail which it is probable that we can get to directly and without a lot of general talk.

My third introductory comment would be simply to express full appreciation of the circumstances which you have described as far as this session is concerned. There are a number of matters that are

of great importance before the Congress and before this committee as I appreciate. I should like to point out with some satisfaction, however, that we recognize that over the last 3 years the development of an active manpower policy has never been a dramatic thing, and it has never attracted a lot of public notice.

Yet the short of it is that the administration, working particularly with this committee in the House, and the other companion committee in the Senate, has developed in this Nation an active manpower policy based on the Manpower Development and Training Act of 1962, which at this point we know now has paid off in very real and measurable benefits, which we are in a position to identify, and which I think is being recognized increasingly as an essential condition of full employment opportunity in this country.

There will be full employment opportunity only as the economy is working at top speed, but there will be full employment opportunity, too, only as we recognize that there are a number of aspects of the situation to which attention must be directed, aside from the matter of an economic growth policy as such.

Now, it is in this second area, in the development of a manpower policy besides the economic policy of full growth that we have been able here to carve out, as I say with the cooperation of this committee, and the committee in the Senate, particularly if I may say with your own personal cooperation, and with that of the chairman of this subcommittee, Elmer Holland, a manpower policy which means so much now to hundreds of thousands of people in this country directly, and to the economy as a whole.

Beyond that I should just like to add a personal expression of knowledge, recognition, and appreciation of the personal fight that Congressman Holland is making at this point, and our great personal pleasure that the report is that the situation is such that he will return very shortly to personal participation in the moving on of this program.

But it has been a matter of great personal satisfaction for 3 years now to carve out this advance with Congressman Holland, and with the others who are here today.

Now, with respect to the particular situation before us, Mr. Chairman, and members of the committee, there was the Manpower Development and Training Act of 1962. There was the remarkable record of administrative experience complemented by legislative advances reflected in the amendments of 1963.

Where we are now is that we have another 2 years of experience under our belt, or a year and a half, and that dictates at this time in our judgment the taking of new steps as far as the development of an active manpower policy is concerned.

In the bills to which you refer, H.R. 4257 and H.R. 4271, there are incorporated the recommendations which we make to you on the basis of this experience.

Now, there are a number of specific points, of amendments, some of them fairly limited in scope, which I would like to bring to your attention, which are incorporated in these bills. I should like to start by reference to one which is basic to this whole matter, the blunt fact that this whole program would, if nothing were done about it, start grinding very quickly to a halt.

There are two changes which we must urge be made in it. The authorization itself, the whole basic authorization in the 1962 act, would terminate on June 30, 1966, unless action were taken.

I am assuming that it will be taken, but I simply point out the time factor in it. The original authorization runs only to June of 1966. Therefore action must be taken, because if it isn't there is a considerable leadtime in this program and this program would start grinding to a halt right fast.

We are urging at this point that the time limitation which is contained in the old bill be removed, that this bill be made permanent, and this program be made permanent, and that would be the effect of section 14 of the proposed bills.

Now, there is another point of related nature, and that has to do with the financing arrangements under the bill. In the original authorization in 1962, it was contemplated that the bill would be financed 100 percent by Federal funds for the first 2 years, and would then go on to a State-matching basis.

That question of the relationship of Federal to State financing has been a matter of continual concern in connection with the administration of this bill, in connection with its consideration by this committee, and also in connection with the administration of the broader Federal program in this manpower education and antipoverty area.

We have pressed very strongly for the development of matching of substantial provision as far as the States are concerned. They face a very real problem with the exhaustion of their revenues and revenue sources, both from borrowing and from taxing. It has been necessary to face, increasingly, the reality that the very desire to see that as many possible things are done locally as can be done, is placing a strain on local budgetary resources.

Also, it is placing a strain on local financing resources. The net of the recent consideration of this matter, within the administration, having to do with the educational programs, the antipoverty programs, and the manpower training program, is reflected in our recommendation embodied in these bills, Mr. Chairman, that this program be placed on a 90–10 matching basis.

That is the pattern which has evolved in the consideration of this matter most recently, in the Economic Opportunity Act, and the administration of the antipoverty program. It strikes, as nearly as we can make a specific recommendation to you, the best balance that we can find between Federal and State financial support of this program.

So the bill does embody the recommendation that the matching, with respect to both training costs and allowance costs, be placed on a 90–10 basis, with the 10 percent to be supplied by the State or local authorities, either in cash or in kind.

You may want to come back to that, because we recognize it as a matter of great importance. I should say only this, with the previous record clearly in mind, that every effort has been made to try to push this matching as fast and as far as possible through the State offices.

I have written and the Secretary of HEW and I have written to each of the Governors in the States. There have been constant contacts with them about it. I can only report that it is not only the consensus but the unanimous, I think, opinion of the State administrators that the program has to be on some such basis as this if it is to work.

There are, thus, these two preliminary matters with respect to extending the authorization and making the act permanent, and then second with respect to its financing.

Turning, then, to the program items in the proposed bill. Instead of taking them up in a completely chronological order as far as the sections of the bill are concerned, I should, with your permission, like to direct attention, first, to a recommendation which is reflected in the new section 102(7) of the bill.

This is a recommendation which is reflected, too, in a statement by President Johnson on Monday of this week, in which he announced a new job development program. There are a few words of background to be added to the record in connection with this matter.

I rather suspect that the future will suggest that this is the most important thing that is embodied in this bill. It reflects a number of factors. Perhaps chief among them is the growing feeling in this country that there is, despite the fact of 3¾ billion unemployed people, quite a lot of work around which, if it were properly developed, could occupy by the attention and could provide work for the unemployed people in this country, or for some of them.

I think we should approach it with a completely open mind, because I must say to you that the factual evidence with respect to this, the statistical evidence, is so far virtually nonexistent.

We have been trying for a considerable period of time to get a complete job vacancy survey made. That attempt has encountered several obstacles. One of them is just plain money. It is an exceedingly expensive thing to do, to find out what job vacancies there may be in the country.

It is not relevant to this particular discussion, but you should know that we are presently conducting a kind of pilot operation as far as job vacancy study is concerned, and we are making studies in 16 cities now.

We will have preliminary information on those very shortly, and we intend to extend that study of job vacancies to 105 cities as far as the pilot stage of operations is financed. The first point is that it is very hard to identify where these job opportunities are.

The second point is that realizing that they are there, the matter of developing them remains a real problem. I have had, as I am sure you have had, the experience of making speeches about unemployment, yet realizing that we haven't been able to get our own screens taken down this winter, because we couldn't find somebody to do it, and that a good many of the people in the audience have had the same kind of trouble.

I think that the country's attitude toward unemployment figures is tempered quite a little by the fact that there are service functions of one kind or another which it is very hard to get performed in this country. This job development program is an attempt to meet that problem, but it should not be dismissed in any way as an easy problem.

We have already been into it far enough to know that what needs of this kind there are, present real difficulties of development. The principal one is that many jobs of this kind are not part of a large organization. There are very few job vacancies, at least of the kind we are talking about here, as far as large employers are concerned.

They exist rather, in perhaps three identifiable areas—the small service operator who just isn't set up to either mount or manage a full

recruitment program as far as he is concerned, because he may need only one, one and a half, or two and a half people, or something of that sort. The half person being a half time rather than half a person.

So there is a hard problem of management involved. That problem is perhaps best illustrated by the case of the house where someone would like to have help maybe 3 half days a week.

That would be grand, especially if it could be at night so that someone could come in to take care of preparing dinner, and cleaning up the dishes afterward. Well, it would be grand if you could get somebody to do that. It is very hard to find somebody who has those 3 half days, particularly at those hours. If you can find her she probably lives clear over on the other side of town, so that there is a very real transportation problem about getting across the town.

Then you add the fact, and we might as well face it, for one reason or another, service of this kind, and I am talking here about domestic service, has been downgraded as far as our attitude toward it is concerned. It is not only so far as our attitude, but we don't pay decently for most of it.

Service of this sort is a matter of great dignity as far as most of the European countries are concerned. But we have let it degenerate into almost a menial kind of job. So we have problems of attitude toward it, and we have problems of transportation, and we have problems of management.

Let me illustrate it in one other way: We brought into this country last year almost 200,000 foreign workers, to do agricultural work in various parts of the country; that is, not 200,000 man-year jobs, it is about 75,000 or 80,000 man-years of employment that are involved there.

Congress, in what I think is its complete wisdom, terminated Public Law 78, so that we will not be bringing in Mexican workers under that program this year. There still remains another immigration law, Public Law 414, but at the present point it is my strong feeling that it is going to be possible for us to fill all of these jobs here with domestic workers, instead of with workers brought in from other countries. It is not going to be easy, because again there are very serious transportation and training problems involved.

That is principally a matter of peak periods of sometimes only 30 or 60 or 90 or 120 days. In particular parts of the country it is hard to get people into those particular areas for that particular period.

I don't mean to go on further except to sort of summarize this this way: There is reflected in the President's suggestion of Monday, concerning a job development program, the administration's reaction to the strong consciousness in this country that there are jobs that can be developed in the service trades.

We think that they can be: we are already starting on a program of that kind. We are going to do it in cooperation with other Government agencies, and with private groups in the community, the business groups, and the labor groups.

We must not embark here on a program that is going to undercut wage rates or labor standards, and we are fully aware of the difficulties that might be involved there.

We are going to try to construct a program here which will exploit to the fullest whatever the potential is of the undeveloped job oppor-

tunities, particularly in the service areas. We have directed the attention of the country and the Congress to that by the inclusion in this bill of section 102(7) which does not grant substantial additional authority.

We are doing some job development work now under present authority, but I am sure you will feel that it is all to the good to make this a matter of congressional as well as executive interest.

The job development program holds promise, in my judgment, for the development of I don't know how many jobs, tens of thousands, and perhaps hundreds of thousands of jobs.

Turning to some of the more specific changes which are proposed in the present legislation, this new bill or these new bills are cast in the form for the most part of amendments to the Manpower Development and Training Act of 1962, as amended in 1963.

On page 8, and the following pages of my written statement, there are specific changes listed and I should like to note them briefly and then come back to any of those with respect to which there is interest or questions.

First, we are proposing important changes in the training allowance provisions of the existing act. One of those is to extend the present training period maximum of 1 year with a possible addition of 20 weeks for basic education, to 2 years.

Our experience shows us that both with respect to the extremely unskilled worker who may also lack literacy, and with respect to the training programs for the most highly developed jobs, the 1 year with the 20-week extension is sometimes not enough.

We are also proposing an amendment to permit the payment of training allowances to single persons, without dependents. Presently, we cannot pay training allowances to a person who has no dependents regardless of that person's own financial situation.

This is a problem that does not arise with great frequency but it is enough of a concern to prompt our making a recommendation to you with respect to it. To make the point specifically, the situation which we frequently encounter involves a single woman who perhaps is a widowed woman, her children now grown. She wants to get back into work of one kind or another and comes to us for a training allowance, and we cannot give her a training allowance unless she has dependents. We think that that is too strict a provision.

We are making a recommendation furthermore that more than one person in a household of which the head is unemployed may receive training allowances. We recognize that if the head of a family is employed, then there is not a good case to be made for providing training allowances for the members of that family.

But as it stands now, no one in the family can get training allowances even if the head of the family is unemployed. The proposal in the bill, section 5(c)(2) would be that if the head of the family is unemployed, then there will not be a limitation on the number of members in that family who might receive training allowances.

As we try to find new exits from poverty, we are facing increasingly the fact that a good many of these situations involve large families. We want to get them all out of poverty, and not just one of them.

In that same connection, we propose to increase the allowances by $5 per week for each dependent over two, up to a maximum of four

additional dependents. The situation is presently this: The training allowance is limited in general to the average of the unemployment compensation for that particular State.

Then there was added by the Congress in 1963 a provision that we may, in our discretion, add $10 to that figure in certain cases. What we are proposing to do is to extend that authorization or that permission so that we could add to that another $5 per week for each dependent over two, up to the four additional dependents.

So it would mean a maximum possible addition of $30, instead of $10, based on the number of dependents. Again I point to the fact that a good many of these cases are cases in which there are large families involved, and the present training allowances have left real privation. As a matter of fact, in a good many cases they have meant that people do not take the training programs because they could, in the necessary shortsightedness which they must apply to their present situation, make a little bit more money outside if they work than if they take this training program, which would mean that with it they could do a good deal better.

We are also proposing a change in the provision for the payment of training transportation costs. The training allowances are currently very limited, and very small. They are, for example, for youth 17 to 21, $20 a week. There are a good many cases, in the large cities, in which a significant part of that training allowance is eaten up just in the cost of getting across town, back and forth.

It may seem a small item to us. It is a very large item to somebody who is entirely dependent on a $20-a-week training allowance. To eat up $3 or $4 of that in bus or streetcar fares across town has a significance which is perhaps hard for us sitting in this building and in this town to realize.

Another amendment would permit on-the-job trainees to engage in 20 hours of outside work without reduction of their allowances. This is again a matter of the tightness of the training allowance situation. As matters stand now, the on-the-job trainee participating in the kind of program which we think has the greatest future; namely, the on-the-job program, is denied the opportunity to supplement his very limited allowances by any outside work, and so we urge that he be treated the same as the institutional program trainee.

There are two other technical changes which I think it is necessary only to identify, section 5(c)(3) and 5(a)(1), both containing provisions with respect to compensation.

The first, section 5(c)(3), is technical in a sense, but should be made clear to the committee. The act presently provides that we cannot spend more than 25 percent of our money for allowances, on people under the age of 21. I don't think that that 25 percent is far out of line. It may not be out of line at all. It does pose a very serious administrative problem because it means the necessity of our trying to plan from the start of the year, to stay within this limitation. The estimate may mean our passing up at the start of the year what would be very good programs just out of an excess of caution. So we are suggesting changes that give us larger flexibility, although without any expectation of a substantial shifting in the application of the program as far as older and younger workers are concerned.

I want to make it quite clear that particularly with the development of the antipoverty Economic Opportunity Act programs, directed toward youth, we conceive of the Manpower and Training Act as being more and more properly concentrated on the older worker. By older worker I mean anyone over 21.

The changes I have described all deal with the operative provisions of title II of the act. Now going back, we also suggest some significant changes in title I. There is presently a ceiling of $3 million in the act on title I, covering the manpower research area.

I will say to you, Mr. Chairman and members of the committee, that we find this a seriously inhibiting limitation. We are in a still new and developing area. We are learning a good deal more about this each year, but we know that we are not doing enough in basic research and experimental activity of one sort or another.

I call attention to the fact that in the Federal budget as a whole, 15 percent is allocated to scientific research and development, largely for defense purposes.

Frankly, we are relying too much in this area of human development on a kind of seat-of-the-pants, learn-as-you-go, trial-and-error basis. Now, I think that we are doing pretty well at it, but I say to you that I think that the limitation of $3 million for this particular research program poses a very serious restraint on us, and a restraint which is in the end expensive.

In connection with this research program, I should point particularly to our intention to encourage the development of regional manpower research centers. We recognize, as one of the lessons of this program, that although it requires Federal financial support, part of the problem we are dealing with is going to be resolved locally.

These problems of individual training and so on and so forth have to be handled almost on a retail rather than a wholesale basis. More and more we realize the necessity of taking people as individuals rather than as statistics in an overall economic exercise.

This is going to be done in the end in terms of the particular regional and local problems. Our research program will emphasize more and more the regional aspects, and in connection with this we will be having manpower research conducted in regional centers.

What I have said about research applies also to the experimental developmental projects which are covered in title I, or which we propose be covered in title I of the act.

That is in section 2(b) of these new bills, and it makes provision which would put the experimental, developmental and demonstration projects in title I. This would mean that they are not subject to allocation among the States, or to the matching provisions.

These are programs, the benefit of which will accrue throughout the country, on the basis of improved overall experience, and we think it should be in title I. We also propose that it include something to carry on these projects both through grants and contracts.

The present language has proved to be restrictive and inhibiting in that connection.

Now, finally, it is proposed to add to the research and experimental programs of title I, the authorization for two specific pilot programs. The first of these involves relocation assistance for unemployed workers, for whom there are no jobs in their home community.

It has been one of the lessons of the last 3 years that we have faced up more and more squarely to the fact that one thing the technological revolution means is that people are going to have to move more than they did before. I think we have all come to this conclusion reluctantly, hesitantly, and without enthusiasm, but there can be no question but that the advance, and the progress which we are talking about is no respecter of individual rights.

We will do everything we can to try to see that jobs come to people, but there will be more and more instances in which people will have to go to new jobs.

The matter of relocation is one which we have really just turned our eyes away from and now we are going to have to face up to it squarely, and one of these pilot projects has to do with that.

The second one, I call to your attention for the first time. We have not previously discussed it with the committee. That is now embodied in section 3 of this bill, and it is a provision for bonding assistance for trainees who cannot obtain the indemnification required for some types of employment.

We have run increasingly into this situation: As we have taken more and more of the hard-core training cases, of one kind or another, we have run increasingly into people whose experience in life so far has included elements of what is presently for them real regret and just being blunt about it, a number of them have police records. As some of these people have completed their training programs, we have encountered this fact, that with the training acquired, with every qualification to go ahead which they didn't have before, they go to some employer and they are denied employment opportunity, entirely understandably, because their names are on police records.

They have had some record, typically of juvenile delinquency, and so we will train them and bring them back, and get them ready, and we think that they are ready, and take them right up to the door of the future as far as they are concerned, and have it closed because they can't be bonded.

So we are proposing an experimental pilot program which would involve bonding assistance for trainees who can't obtain that indemnification through private sources. I think, Mr. Chairman, again this may seem a little thing now, but I think we may eventually look back on whatever we start in connection with this program with great interest. I point out that the juvenile delinquency rate in the city of New York has increased 500 percent since 1945.

I point out that the juvenile delinquency rate here in the District of Columbia was almost unbelievable in the last year. We are not going to simply assume that anybody who has run into that trouble as a child is going to be barred for the future. It is the most expensive mistake we could make, not only for him but for ourselves.

So I think that this provision for finding out what is necessary to be done about the bonding, as part of this human renewal and human recovery program, is extremely important. The final provision in these bills would be one which has the result of incorporating the Area Redevelopment Act training programs within the Manpower Development and Training Act programs.

This is a development which I think all will agree is probably overdue. It does not involve any restriction in the scope, and in fact

it involves an expansion of the Area Redevelopment Act training program. But it no longer makes sense that these two be provided for in separate laws.

As a matter of fact the Area Redevelopment Act training program antedated or came before the Manpower Development and Training Act program. It was the pioneering program. As a result of that, those Area Redevelopment Act training provisions include what are anachronisms in the light of experience, such as a strict limitation of training allowances to 16 weeks.

The point of this proposal is to consolidate these programs for the purpose of consideration by the same committee in the Congress, to put them in the same act, and to bring the training provisions more into line with the Manpower Development and Training Act provisions, but not to change it otherwise.

Thus, the Area Redevelopment Act training program would not be subject to the allocation provisions in the act, and it would not be subject to the matching provisions in the act.

The philosophy of that bill was that the Area Redevelopment Act program should be directed at the most depressed, the most disadvantaged communities in the country, and, therefore, that philosophy would make these limitations inapplicable.

In conclusion, Mr. Chairman and members of the committee, I should like to say again that what we have before us is a combination, I think, of vision, if you will, and at the same time almost mechanical attention to some of the nuts-and-bolts problems which are necessary to make this program work.

I think that we are talking in these hearings about steps which will mean the employment, if we carry this program out right, of hundreds of thousands of people who will not otherwise be employed.

I commend to the attention of the subcommittee, and the full committee, the Congress, and the country, the necessity of developing these jobs, and of developing the manpower policy which is necessary to our economic policy for expansion of the economy. Thank you.

Mr. O'HARA. Thank you very much, Mr. Secretary. You have made your usual fine statement. I would like to comment briefly and discuss with you just a few of the points that you did make and then ask the other members present if they have any questions.

With regard to the termination date, your suggestion makes a good deal of sense. I don't think any of us would ever conceive of the Manpower Development and Training Act as one born of emergency conditions and applicable only to those conditions.

Certainly, rapidly moving technology, and the change in the labor force produced by this rapidly moving technology, have made all of us realize that we need something to improve the situation by providing training and retraining opportunities on a continuous basis.

I think that your suggestion for removing the termination date is certainly a good one. I also heartily approve of the job development program, and I want to emphasize your statement that there probably isn't much in the job development program that could not be done under existing law. I agree with you that it serves to point up an area of need.

Would you agree that that is the intent of the job development provisions?

Secretary WIRTZ. Yes, I would.

Mr. O'HARA. The provision with respect to the ceiling on research is something I feel very strongly about. I think our greatest difficulty in dealing with training problems is understanding the labor market and where it is going.

I heartily agree that we should take off any arbitrary ceiling on our ability to understand the labor market. Obviously, training programs cannot be wisely constructed, nor sensibly administered unless we have a very good idea of the future of the labor market.

I also would like to ask just how the bonding demonstration projects might work. I know you haven't proposed any specific form, but perhaps you could give the committee some idea of possible arrangements that could be made.

Secretary WIRTZ. You are very correct in suggesting that the bill does not indicate a particular course of action. It identifies it as a pilot program and reflects what I should make quite clear, our incomplete knowledge if not ignorance of how this will work.

We expect that we will find some way of working with the private bonding agencies to pick up whatever the additional risk may be here.

Now, it may well be that where we are dealing with a large employer, there will be someway of working out a direct arrangement with him, which will provide an indemnification. We would like to avoid getting the Federal Government into the bonding business itself, in this kind of case.

This is not the kind of thing which the Government could, at least over a long range, be expected to do. Our basic proposition will be that we will find what is needed on a kind of insurance-overriding sense to supplement the operation of the private agencies which presently assume this risk.

Although it seems at the opposite extreme, it will be a little like bank insurance. We will try to shore up whatever the private agency is which normally assumes this risk. If there is an additional risk, which we understand completely, that a private agency would not normally take when a person has a police record, if he has gone through one of our training programs, we will try to calculate what the reasonable remaining risk is, and cover that through the private agencies.

Mr. O'HARA. I am fascinated by the idea, because it is completely new. I want to compliment you for suggesting it. The problem of training allowances and how much one receives is a matter with which this committee has been concerned since we started considering this program.

At the present time we have three categories of trainees: those receiving the regular training allowance, those receiving the special youth-training allowance, and those receiving nothing.

The question, though, is more than whether a trainee should receive an allowance. I am encouraged by what you are doing, but I wonder if we are going far enough. Let me pose a problem to illustrate.

I don't know the Department's position, but I have found in the administration of these training programs an understandable reluc-

tance to mix, into one training group, people who are taking identical training programs for an identical number of hours and who are doing the same kind of work. One may be receiving a $35 a week training allowance, and the second $20 a week, and the third nothing, but they all are in the same manpower development and training program, working on benches side by side.

Consequently, when training groups are formed an effort is made to have all of those in a particular training group fit into one or another of these categories.

A person who is a victim of long-term unemployment may be unable to maintain a separate establishment. As a consequence of these financial circumstances, he is then forced to move in with relatives and thereby becomes ineligible to receive a training allowance because the head of that household is employed. In addition, he may then be excluded from training programs because of the present method of training class makeup. As a result, I believe we may be losing many qualified individuals who should be able to participate in these training programs.

Therefore, in addition to considering your specific proposal, I hope you wouldn't object to this committee considering the training allowance question generally and attempting to come up with some answers.

Secretary WIRTZ. May I react to that, Mr. Chairman, perhaps at length but to affirm everything you have said and even perhaps in broader terms. There was this sentence in the President's state of the Union message, that full employment opportunity for every American citizen is the goal of just not this administration but this country at this time.

I would like to say a word or two about what I think that means. In 1946, the Congress had a full employment bill submitted to it that was a full employment bill. They knocked out the "full" because they felt that that was not a goal possible of attainment. That is probably right. Everybody in this country won't be employed at any point.

But the goal of full employment opportunity is a realistic goal. I think that it is no exaggeration, or at least it is an understandable feeling at the moment, to say that I think with the President's state of the Union message, with what can be done through these bills by the Congress and the administration of them, we can assure full employment opportunity to every individual in this country.

Perhaps in the exhileration of the moment, I think the consideration of these bills will be the most important step that can be taken toward that.

Now, to tie this in with what you say, I am sure at this point that full employment opportunity in this country is first an economic exercise in making the system work, but, second, it is a human exercise because there are, I don't know how many, but hundreds of thousands of people who will be given full employment opportunity only if they are approached as individuals rather than as pieces in the system.

Because the hard facts are that economic growth alone will not reach a boy for whom day is night, who is sleeping this morning, having

spent all night on a street corner someplace, chewing one of these pep pills or something worse.

That salvage operation has got to be an individualized operation, and the relationship of what I am saying to what you are saying is that we appreciate fully that there is a group of people in this country who have got to be approached on almost an individualized basis.

You are completely right in saying that the formalisms of a few allowance categories make it very hard sometimes to deal with that problem.

We have taken some steps here toward the introduction of flexibility with respect to the administration of that program. If there are further steps that can be taken, so that we can tailor these situations more and more to the needs of particular families and particular individuals, that will be all to the good.

Mr. O'HARA. That is all the encouragement I will need to bring this subject up at the appropriate time. I wish to commend you for the change you are proposing in transportation allowances. In today's large metropolitan areas, transportation costs for an institutional training program are a serious matter.

For instance, from the area I represent in the Detroit metropolitan area, if one were to take public transportation to one of the larger MDTA training centers in the city of Detroit, the total daily cost would be about $3 a day, or $15 a week, of his training allowance just to get to and from his training.

This is a very serious problem, and I am delighted to hear your recommendations to alleviate this situation.

When we amended the act a little over a year ago to make it possible for the ambitious trainee to supplement his oftentimes inadequate training allowance with some part-time work, during hours which didn't interfere with his training program, we somehow neglected to make the minimum applicable to the on-the-job trainee as we did for the institutional trainee. Certainly there is no reason to distinguish between them. I think it appropriate to suggest that we correct that oversight.

Certainly, bringing the Area Redevelopment Act into conjunction with this act is good administrative practice. It doesn't make sense to have huge separate systems of training for these very similar training programs.

Mr. Secretary, I believe this is an excellent bill. I hope we can give it expeditious consideration and have it enacted into law within the next couple of months.

Mr. Gibbons, would you care to direct any questions to the Secretary?

Mr. GIBBONS. I will hold the chair down.

I appreciate your coming here, Mr. Secretary. It is always interesting to hear what you have to offer on legislation. I want to say I think you are doing a wonderful job in your position over there and also you make one of our best witnesses. You so candidly handle your subject and so well.

I am interested in the change of the matching ratio to 90 to 10 percent. Can you tell me the position of my State of Florida has taken on that?

Secretary WIRTZ. Yes, I can, if you will bear with me a moment. The Florida situation on that, Mr. Gibbons, is there has been no legis-

lative action taken. I first wrote a letter to the State Governors about it, Secretary Celebrezze and I did, because there has been every indication of concern about this problem, but I would have to report to you that the prospects of matching would, in our judgment, and I state that not presumptuously because your legislature doesn't start until April 6, but our present rate would be that there is very little likelihood of matching action being taken by Florida.

Mr. GIBBONS. As I understand it, that is generally the position. Has any State matched it?

Secretary WIRTZ. Generally, the position is that three States have matched it. The three States are Hawaii, New York, and Pennsylvania. We have listed—I should like to say it has been a matter of real concern because we have known from last year this committee's concern about this point and there, we have prepared as complete a summary as we can of that picture. I can give you a list of between 20 and 25 States in which we would say there is a very good possibility, if there is no change in the matching, those States would come through with some kind of matching.

That is as optimistic a picture as I can give you.

We list another 15 or 20 States as being very much on the doubtful side from what we have been able to read from the reaction of the State legislatures, Governors, and so forth. Florida is among that group. Then in 10 or 20 States it is very clear there will be no State matching.

We made a survey of seven States, which account for about 20 percent of all the programs. They are the largest States. That picture is even more discouraging than the one I have given. The Governor of California, where there are the largest number of programs, has just said squarely that as important as this program is to the State, and he has been one of the strongest supporters of the programs—if you don't mind my answering a question about Florida in terms of California—that looking at his political and economic accounts, "we will not be able to put up a matching program." Florida has not been that extreme, but it is discouraging.

Mr. O'HARA. Would it be possible, Mr. Secretary, for your office to prepare a summary on the situation in the States with respect to matching, along with dates of their coming legislative sessions? We would like to have that for insertion in the record at this point.

Secretary WIRTZ. We will send you what we can. The table from which I am reading needs to be renewed.

Mr. O'HARA. I don't want your predictions.

Secretary WIRTZ. It would be unfair for us to make the kind of predictions I have here. We will provide a table showing when the legislative sessions start. A good many of them meet only every 2 years and and won't know now what is going to be done about the Federal legislation.

We will add to the record the communications which have been sent to that State, what the responses have been, when the legislature meets, and anything definitive we would be entitled to communicate.

Mr. O'HARA. Without objection, the summary will be admitted in the record at this point.

(The material referred to follows:)

Beginning date of 1965 legislative session

State	Date	State	Date
Alabama	May 4	Montana	Jan. 4
Alaska	Jan. 25	Nebraska	Jan. 5
Arizona	Jan. 11	Nevada	Jan. 18
Arkansas	Do.	New Hampshire	Jan. 6
California	Jan. 4	New Jersey	Jan. 12
Colorado	Jan. 6	New Mexico	Do.
Connecticut	Do.	New York	Jan. 6
Delaware	Jan. 5	North Carolina	Feb. 3
District of Columbia	Jan. 4	North Dakota	Jan. 5
Florida	Apr. 6	Ohio	Jan. 4
Georgia	Jan. 11	Oklahoma	Jan. 5
Guam	Do.	Oregon	Jan. 11
Hawaii	Feb. 17	Pennsylvania	Jan. 5
Idaho	Jan. 4	Puerto Rico	Jan. 11
Illinois	Jan. 6	Rhode Island	Jan. 5
Indiana	Jan. 7	South Carolina	Jan. 12
Iowa	Jan. 11	South Dakota	Jan. 19
Kansas	Jan. 12	Tennessee	Jan. 4
Kentucky	(1)	Texas	Jan. 12
Louisiana	May 10	Utah	Jan. 11
Maine	Jan. 6	Vermont	Jan. 6
Maryland	Do.	Virginia	(1)
Massachusetts	Do.	Virgin Islands	Jan. 11
Michigan	Jan. 13	Washington	Do.
Minnesota	Jan. 5	West Virginia	Jan. 13
Mississippi	(1)	Wisconsin	Do.
Missouri	Jan. 6	Wyoming	Jan. 12

[1] No session.

[Prototype of individual letter to all State and territorial Governors, except those of Guam and Louisiana]

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, May 7, 1964.

DEAR GOVERNOR ———: I am writing to call your attention to the 1963 Amendments of the Manpower Development and Training Act which extend full Federal financing of the program through June 30, 1965.

The Manpower Development and Training Act is a milestone in this Nation's efforts to put back into gainful employment hundreds of thousands of workers who do not possess the skills required by our new technology. I am greatly encouraged that the initial goal set by Congress of more than 400,000 unemployed retrained within the 3-year period of the original act now appears realistically in sight. During the last calendar year, occupational training projects were approved for more than 103,000 trainees at an approximate cost of $136 million. Training was approved for more than 500 different occupations. Particularly gratifying is the fact that over 70 percent of the graduates have been placed in responsible employment. ———'s distinct contribution to the success of the program is attested to by the fact that 15 institutional training projects for 703 trainees at a cost of $970,946 have been approved since the start of this program.

As you know, the amendments also recognized that the increasing unemployment of young persons in the next few years may well be one of the most serious manpower problems this country has faced. To help bridge the gap between school and work, the amendments strengthen and broaden youth training programs by providing for the training of larger numbers of youth and enabling more of them to receive training allowances. The amendments further provide that youth and other unemployed persons who require basic education in reading, writing, and other language skills may receive such training along with vocational training under the act. Additional financial support has also been provided for the latter group by extending the period for which training allowances may be paid from 52 to 72 weeks.

———'s continued participation in the Manpower Development and Training Act training program after June 30, 1965, will depend on its enactment of legisla-

tion authorizing and appropriating matching funds. The provisions of the Manpower Development and Training Act, as amended, with respect to which the appropriations would be made are:

Section 203(d), which requires a State to bear 33⅓ percent of the cost of training allowances for the fiscal year ending June 30, 1966, and 50 percent for each succeeding fiscal year; and

Section 231, which requires a State to bear 33⅓ percent of the costs of institutional training for the fiscal year ending June 30, 1966, and 50 percent for each succeeding fiscal year.

It is noted that the ——— Legislature convenes this year and will also have a legislative session in 1965. However, since many training programs, especially those possible under the recent amendments, will extend into fiscal year 1966 and could not be completed without matching funds, it is recommended that appropriate legislative action be taken during 1964 to preclude the possibility of a slowdown in training efforts as fiscal year 1966 approaches. Experience has indicated that all States will not use the full amount of their apportioned shares of Manpower Development and Training Act funds. Consequently, a State may plan a program of the magnitude it believes to be necessary—with considerable confidence that the Federal participation in the program can be sustained at the full 66⅔ percent of costs. Our Bureau of Employment Security field representatives will be glad to assist you in every possible way in developing plans for a program of the scope desired. The Department of Health, Education, and Welfare has indicated that their field representatives will also be available for similar assistance.

I am pleased to enclose a copy of my report sent to the Congress a few days ago which summarizes and evaluates the progress made during calendar year 1963, the first full year of program operations under the act. With the increased flexibility provided by the amendments to the act (ch. 8) and the steadily increasing momentum of operations, there is promise of an even more effective program in the years to come. It is urgent, therefore, that the States be in a position to continue uninterrupted participation in this important link in the chain of measures being forged to deal with the problems of unemployment and poverty which exist in a nation with a generally high standard of living and an expanding economy.

I am most appreciative of your interest in this important program and look forward to ———'s uninterrupted participation.

Yours sincerely,

——— ———,
Secretary of Labor.

JULY 20, 1964.

Hon. JOHN MCKEITHEN,
Governor of Louisiana,
Baton Rouge, La.

DEAR GOVERNOR MCKEITHEN: Since Louisiana recently entered into an agreement for carrying out the provisions of the Manpower Development and Training Act, I am writing to call your attention to the 1963 amendments to the act, which extend full Federal financing of the program through June 30, 1965.

The Manpower Development and Training Act is a milestone in this Nation's efforts to put back into gainful employment hundreds of thousands of workers who do not possess the skills required by our new technology. I am greatly encouraged that the initial goal set by Congress of more than 400,000 unemployed retrained within the 3-year period of the original act now appears realistically in sight. During the last calendar year, occupational training projects were approved for more than 103,000 trainees at an approximate cost of $136 million. Training was approved for more than 500 different occupations. Particularly gratifying is the fact that over 70 percent of the graduates have been placed in responsible employment. It is anticipated that Louisiana will make a distinct contribution to the further success of the program.

As you know, the amendments also recognized that the increasing unemployment of young persons in the next few years may well be one of the most serious manpower problems this country has faced. To help bridge the gap between school and work, the amendments strengthen and broaden youth training programs by providing for the training of larger numbers of youth and enabling more of them to receive training allowances. The amendments further provide that youth and other unemployed persons who require basic

education in reading, writing, and other language skills may receive such training along with vocational training under the act. Additional financial support has also been provided for the latter group by extending the period for which training allowances may be paid from 52 to 72 weeks.

Louisiana's continued participation in the MDTA training program after June 30, 1965, will depend on its enactment of legislation authorizing and appropriating matching funds. The provisions of the Manpower Development and Training Act, as amended, with respect to which the appropriations would be made are:

Section 203(d), which requires a State to bear 33⅓ percent of the cost of training allowances for the fiscal year ending June 30, 1966, and 50 percent for each succeeding fiscal year; and

Section 231, which requires a State to bear 33⅓ percent of the costs of institutional training for the fiscal year ending June 30, 1966, and 50 percent for each succeeding fiscal year.

It is noted that the Louisiana Legislature convenes this year and will also have a legislative session in 1965. However, as many training programs which will be proposed, especially those possible under the recent amendments, may extend into fiscal year 1966 and could not be completed without matching funds, it is recommended that appropriate legislative action be taken during 1964 to preclude the possibility of a slowdown in training efforts as fiscal year 1966 approaches. Experience has indicated that all States will not use the full amount of their apportioned shares of MDTA funds. Consequently, a State may plan a program of the magnitude it believes to be necessary—with considerable confidence that the Federal participation in the program can be sustained at the full 66⅔ percent of costs. Our Bureau of Employment Security field representatives will be glad to assist you in every possible way in developing plans for a program of the scope desired. The Department of Health, Education, and Welfare, has indicated that their field representatives will also be available for similar assistance.

I am pleased to enclose a copy of my report to the Congress which summarizes and evaluates the progress made during calendar year 1963, the first full year of program operations under the act. With the increased flexibility provided by the amendments to the act (ch. 8) and the steadily increasing momentum of operations, there is promise of an even more effective program in the years to come. It is urgent, therefore, that the States be in a position to continue uninterrupted participation in this important link in the chain of measures being forged to deal with the problems of unemployment and poverty which exist in a nation with a generally high standard of living and an expanding economy.

I am most appreciative of your interest in this important program and look forward to Louisiana's uninterrupted participation.

Yours sincerely,

——— ———,
Secretary of Labor.

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge, July 23, 1964.

Mr. W. WILLARD WIRTZ,
Secretary of Labor,
Washington, D.C.

DEAR SECRETARY WIRTZ: This will acknowledge your letter of July 20, and enclosure of your report titled "Manpower Development and Training Act."

I greatly appreciate you providing me with the information contained in your letter and this comprehensive report.

Very sincerely yours,

JOHN J. MCKEITHEN, *Governor.*

[Prototype of the joint letter of the Secretaries of Labor and of Health, Education, and Welfare, on Sept. 17, 1964, to the Governors of the States]

SEPTEMBER 17, 1964.

DEAR GOVERNOR ———: The Manpower Development and Training Act of 1962, enacted on March 15, 1962, was amended on December 19, 1963. The amendments broadened the basic provisions of the act, increased the appropriation authorizations, extended the programs through fiscal year 1966, and

postponed the original requirement for State matching through fiscal year ending June 30, 1965. This action by Congress was communicated to you by earlier letters and by members of our field staffs.

It is about the required one-third matching by the States for the fiscal year beginning on July 1, 1965, that we wish to enlist your interest and assistance in order that this program may continue to meet the occupational training needs of our people.

Information on the first 5 months of 1964 confirms the fact that we are having so far this year the strongest employment growth in half a decade. However, the impact of technological and economic change on production and employment, including new job requirements which will occur during the next 10 years, will continue to affect the Nation's economy, manpower, communities, families, social structure, and human values. All too many of our youth and adults are either unemployed or underemployed because of educational deficiencies, inadequate job skills, or both.

Local, State, and Federal participation in the manpower development and training program has resulted in many significant achievements which must be continued. Training projects are now being developed and plans are being made for projects which will extend into or will be conducted in the 1966 matching year which starts on July 1, 1965. If matching funds are not forthcoming, programs will be curtailed or terminated. For this reason, early consideration is needed regarding State administrative and budget arrangements to authorize continued State participation and to provide the required State matching funds to meet one-third of the costs of (1) training allowances paid to trainees and (2) conducting State and local institutional training programs including essential administration and supervision costs incurred by the State vocational education agency.

As we have indicated above, assurances are needed as soon as possible from you as to your State's readiness to participate to the extent of one-third of the costs of institutional training conducted in whole or in part in the fiscal year beginning July 1, 1965. The enclosed estimate of State apportionments based on the statutory authorization is provided to assist you in determining the amount of matching funds required.

To assist us in planning for the fiscal year 1966 program, please return a copy of the enclosed statement to us so that administrative steps can be taken to continue the manpower development and training program.

Information copies of this letter are being sent to the State employment security and vocational education agencies which participate in the manpower development and training program under existing agreements.

Your active interest and assistance in coping with the problem of unemployment through training and retraining is urgently needed.

Sincerely yours,

_____ _____,
Secretary of Labor.

_____ _____,
Secretary of Health, Education, and Welfare.

MANPOWER DEVELOPMENT AND TRAINING ACT

STATE OF _____

Status of participation on a one-third State and two-thirds Federal matching basis in the costs of training programs conducted in the fiscal year beginning July 1, 1965, under agreements entered into with the Secretary of Labor and the Secretary of Health, Education, and Welfare. This is to indicate that:

1. Funds have been appropriated or authorized in sufficient amount to cover the estimated State matching costs for the conduct of training, training allowances, and administration and supervision costs related to institutional training.

Yes _____ No _____

Comments: _____

_____

_____

_____

2. Provision has been made or will be made in the State budget for fiscal year 1966 to cover estimated State matching costs, and favorable action by the State legislature is anticipated.

Yes_____ No_____

Comments: _____

_____

_____

_____

The foregoing information has been supplied by:

Signed _____

Title _____

Date _____

In order that the two Federal departments may be informed of present and anticipated actions by States regarding compliance with the matching provision of the Manpower Development and Training Act, pleasure return copies of this statement, completed by an appropriate official of the State, to the following addresses:

W. Willard Wirtz, Secretary, U.S. Department of Labor, Washington, D.C., 20210.

Anthony J. Celebrezze, Secretary, U.S. Department of Health, Education, and Welfare, Washington, D.C., 20201.

Manpower Development and Training Activities

Estimated Federal funds available under title II, Manpower Development and Training Act of 1962, as amended, by State, for fiscal year July 1, 1965, through June 30, 1966 [1]

State	Apportionment factor [2]	Estimated fiscal year 1966 distribution	State	Apportionment factor [2]	Estimated fiscal year 1966 distribution
United States	100.00	$245,000,000	Missouri	2.33	$5,708,000
			Montana	.32	784,000
Alabama	1.39	3,406,000	Nebraska	.67	1,642,000
Alaska	.20	490,000	Nevada	.21	514,000
Arizona	.56	1,372,000	New Hampshire	.29	710,000
Arkansas	.76	1,862,000	New Jersey	4.32	10,584,000
California	12.24	29,988,000	New Mexico	.36	882,000
Colorado	1.04	2,548,000	New York	11.44	28,028,000
Connecticut	1.46	3,577,000	North Carolina	1.83	4,484,000
Delaware	.23	564,000	North Dakota	.37	906,000
District of Columbia	.40	980,000	Ohio	5.61	13,744,000
Florida	1.98	4,851,000	Oklahoma	.98	2,401,000
Georgia	1.63	3,994,000	Oregon	1.02	2,499,000
Guam	.02	49,000	Pennsylvania	7.01	17,174,000
Hawaii	.32	784,000	Puerto Rico	.91	2,230,000
Idaho	.41	1,004,000	Rhode Island	.48	1,176,000
Illinois	5.64	13,818,000	South Carolina	1.02	2,499,000
Indiana	1.96	4,802,000	South Dakota	.35	858,000
Iowa	1.28	3,136,000	Tennessee	1.60	3,920,000
Kansas	1.10	2,695,000	Texas	4.01	9,824,000
Kentucky	1.63	3,994,000	Utah	.49	1,200,000
Louisiana	1.49	3,650,000	Vermont	.23	564,000
Maine	.39	956,000	Virginia	1.33	3,258,000
Maryland	1.26	3,087,000	Virgin Islands	.02	49,000
Massachusetts	3.59	8,796,000	Washington	1.72	4,214,000
Michigan	3.93	9,628,000	West Virginia	.80	1,960,000
Minnesota	1.83	4,484,000	Wisconsin	2.31	5,659,000
Mississippi	.99	2,426,000	Wyoming	.24	588,000

[1] Based on Public Law 88-214, sec. 304(b), providing legislative authorization of $281,000,000 for fiscal year 1966. State matching provisions are ½ of the Federal amount.

[2] Based on fiscal year 1965 apportionment factor. Public Law 87-415, sec. 310, requires annual redetermination of State apportionment factors.

[Prototype of letter sent by Secretary Wirtz in January 1965 to all Governors-elect assuming office for the first time in January]

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington.

DEAR GOVERNOR ——— ———: The Manpower Development and Training Act of 1962 is the first act to make possible a national approach for training and retraining of unemployed and underemployed who do not possess the skills needed by our new technology. Your State has made a substantial contribution to the success of this program. I believe as Governor-elect you will wish to be alerted that continued participation requires one-third matching of funds by the States commencing July 1, 1965.

We have experienced this year the strongest employment growth in half a decade. However, the impact of technological and economic change on production and employment, including new job requirements which will occur during the next 10 years, will continue to affect the Nation's economy, manpower, communities, families, social structure, and human values. All too many of our youth and adults are either unemployed or underemployed because of education deficiencies, inadequate job skills, or both.

The manpower development and training program has resulted in many significant achievements which must be continued. I am greatly encouraged that the initial goal set by Congress of more than 400,000 unemployed retrained within the 3-year period of the original act now appears realistically in sight. By December 1964, occupational training projects had been approved for more than 270,000 trainees at an approximate cost of $372 million. Particularly gratifying is the fact that 73 percent of the graduates have found employment, most of them in jobs directly related to their training.

Manpower Development and Training Act training projects are now being developed and plans are being made for projects which extend into or will be conducted in the 1966 matching year which starts on July 1, 1965. If matching funds are not forthcoming, programs will be curtailed or terminated. Thus, your State's continued participation in Manpower Development and Training Act training after June 30, 1965, will depend on its enactment as early as possible in 1965 of legislation authorizing and appropriating matching funds.

Our Bureau of Employment Security field representatives and field representatives of our Office of Manpower, Automation, and Training will be glad to assist you in every possible way in planning and developing a Manpower Development and Training Act program of the scope desired. The Department of Health, Education, and Welfare, which shares with us the Federal Government's responsibilities under the act, has indicated that its field representatives will also be available for similar assistance.

Your active interest and assistance in coping with the problem of unemployment through training and retraining is urgently needed.

With best wishes for a successful administration, I am,

Sincerely,

——— ———,
Secretary of Labor.

Mr. GIBBONS. I know this will be one of the difficulties we face—the matching of funds.

Secretary WIRTZ. Surely.

Mr. GIBBONS. While I think this is a very fine bill, I want to bear down hard on some of the reasons why the States have failed.

Could you give me again, your opinion of why you think the States have not come up with a matching program?

Secretary WIRTZ. Yes; always apologizing for what can only be an impression of governmental process in the various States, 95 percent of the answer, in my judgment is that things have moved along in this area so rapidly that an increasing burden falls on the States and localities.

So they don't have the sources of revenue available that the Government has.

I think it's about—well, I think we'll find the State indebtedness has gone up in the last decade approximately three times.

More and more the burden is upon the States, Federal employment is declining so there are fewer Federal employees than there were 1, 2, or 3 years ago.

On the other hand, State and local employment has gone up rapidly, a good deal in education. With revenue sources frozen and a good many States limited to property tax, some States extended a little beyond that, the burden is falling more and more on the State and revenues are exhausted. That is my answer to about 90 percent of the question.

Beyond that there would be the balancing of the situation, the political situation if you will, as to where to put the revenues they have, and we might as well face the fact that a new bridge or a new highway is a spectacular accomplishment. A very small percent of people know you have recovered 25 percent of the people in a training program; it may be a 1- or 2-day story, whereas a bridge or highway has a plaque on it and will stand there more or less forever.

Your question, graciously put, would want an answer which includes another element as to whether there is reflected in this attitude any criticism or rejection of this program. I should like to summarize that this way. I think, rather I know, the last 2½ years' experience have included particular projects which didn't work out. I could name those in the various States and would be glad to do so. There have been failures as far as particular projects are concerned. It is with equal candor I say to you, the whole expression of position with respect to this program by the State Governors and State officials has been one of almost unexceptional approval and support. There are programs now in all 50 States.

There was a problem with respect to one State until just recently. It is my fair judgment that what is reflected here in answer to your question, first, is serious economic difficulty. Second, the practical fact of these things being less dramatic than some of the other programs are. Third, the third point in my summary would be that as nearly as I can tell, and I think without any question, the general attitude is one of complete approbation as far as State authorities are concerned, subject to their concern about particular projects which have not worked out and subject to a concern which I take it is part of the fiber of the Federal Government with 190 million people, there is still some redtape we are trying to get rid of and we know it.

As of last June, the indebtedness of the State and local governments was over $92 billion, which is three times the level of 12 years ago. It has gone up three times in 12 years.

Mr. GIBBONS. You made a statement there, I think, about Federal employment reducing—I think I am correct, but if not, I would like to be corrected—it has been reduced in proportion to the number of thousands of people in our population.

Secretary WIRTZ. No, sir.

Mr. GIBBONS. It has been reduced more than that?

Secretary WIRTZ. I will confirm this figure for the record. In my judgment it's about 10,000 fewer than a year ago.

Mr. GIBBONS. Is your statement limited only to the nonmilitary personnel, nonuniform personnel?

Secretary WIRTZ. Yes. It was a matter of public record about 3 or 4 months ago, and the figure I have in mind is a comparison of October 1964 with October of 1963. We are cutting the Department of Labor on a percentage basis, not on an increased program basis. We are cutting it by about 300 employees, which is for us, a reduction of about 3 percent and this is the general pattern throughout the Government. It is a pretty stringent program.

Mr. GIBBONS. This is not realized by a lot of Members of Congress and certainly not by a lot of the public and I do think it needs emphasizing. If you have additional material, I would greatly appreciate it if you would submit it?

Mr. O'HARA. Without objection, any additional material the Secretary sends us will be inserted at the conclusion of his comments.

(The requested information on employment in the Federal Government was furnished by Secretary Wirtz:)

Government employment, 1960–64

Year	State and local	Federal
1960	6,083,000	2,270,000
1961	6,315,000	2,279,000
1962	6,550,000	2,340,000
1963	6,841,000	2,358,000
1964	[1]7,153,000	2,348,000
Percentage increase 1960–64	17.6	3.4

[1] After revision, previously 7,500,000.

Source: Bureau of Labor Statistics, Division of Employment Statistics, Evaluation and Inquiry Branch.

Secretary WIRTZ. I do not want to make an invidious comparison of the increased problems State and local governments are facing up to, but I think they are clear needs, mostly educational.

Mr. GIBBONS. If you have figures, I personally would like to have them. I think they are germane to what we are reporting here.

I'm glad to hear you talk of job development. I think that is a problem we have. You mentioned the problem of the "stoop workers." The problem we are having is not in recruiting that type of worker. I have the problem of "stand up and stretch workers" in Florida, picking of oranges, tangerines, and grapefruit. While I contemplate a trip home to Florida with a great deal of enthusiasm, tomorrow, as far as weather is concerned, I know when I walk down the street, someone will come up to me and say, "You should go out to see my orange grove, Sam; the fruit is lying on the ground and we can't get people to do the work."

While I want to use domestic labor as much as possible, are there any of our laws or practices that are failing or restricting our recruitment of labor in this field? Have you got any suggestions you would like to make to Congress about what we can do to get people to do this type of work?

Secretary WIRTZ. The answer, I think, the very point we are talking of here now, is that there is more that can be done, more is being done right now than has been done before, but more can be done by way of putting the supply of domestic workers on a businesslike basis.

It was a sudden thing that took place when the large number of Mexican workers was withdrawn. It is also a sudden thing, I think,

comparatively sudden, when the citrus and sugarcane industries in Florida advanced as much as they did in Florida over the last several months. It is a rapidly expanding situation presenting some problems.

We think the Employment Service moved 535 employees to Florida from other States last week. I have a personal representative down there now meeting in Palm Beach with the citrus and sugar people on Friday of this week. I don't mean to minimize the problem, but I think rapid expansion as far as Florida citrus and sugar is concerned, is partially responsible for the problem. Also the unfortunate impact of the weather which brought an early dropping as far as the citrus was concerned, in the early fall, and also nipped the buds on the sugarcane so that we faced a real problem there and it is not behind us.

I think that is a perfect illustration of the job difficulties we have. We should be in a position to move people in sufficient numbers into areas needing them in that way. You asked if there are laws which stand in the way. I think the answer is no. Public Law 414 does provide for bringing people outside this country when there is nobody in the country to do the work. That is a pretty broad law and I am trying to administer it as firmly as possible.

If there were changes to be made, in answer to your question, that is the area where change would be directed. I would not recommend change but that is the key point as far as the foreign worker is concerned.

As far as the domestic worker, with 3¼ million people unemployed, there is an administrative problem, a private management problem, a transportation problem and a training problem in getting people into those areas, but I think it can be met.

Mr. GIBBONS. Some people suggested to me that perhaps the child labor laws were unduly restrictive and perhaps people who could work at this kind of work are prohibited from it by the child labor law. Have you noticed any problems with that?

Secretary WIRTZ. I'm afraid our views would be different on that. I don't think this problem should be met by relaxation of the Child Labor Act. I think a description given me yesterday by one of the members of the Florida delegation of the problem there now with respect to cutting of sugarcane—this is not my description but his—it is a job involving getting somebody—this is not the typical area—but there is a problem there now of moving people into a swamp area where there are snakes, dead possums floating in the water, knee-deep water, wielding a machete, pretty heavy work, and coming out at the end of the day almost unrecognizable as a human being.

That is not a problem on which I think child labor relaxation would help. With the labor standards what they are, I do not think relaxation of the Child Labor Act is the answer to meeting this problem.

Mr. GIBBONS. I appreciate your remarks, and was not advocating change. My interest is directed primarily toward the citrus. I don't see how any human being could ever harvest such swamp areas much less getting children in to do that.

I believe in some relaxation of the training and allowance provisions, particularly some of the arbitrary guidelines Congress has laid down for you to follow. I believe that would be helpful with respect to these training allowances. I wonder and hope we are not broaden-

ing them too much by the proposed amendments here to the extent that would allow or encourage the head of a family to remain unemployed—do you see what I am driving at?

Secretary WIRTZ. Yes.

Mr. GIBBONS. We could be paying allowances to so many different people in the family that they would say, "Daddy, don't go back to work or I will lose my training allowance." Have you thought of a practical way to avoid that?

Secretary WIRTZ. My opinion is, and as the chairman pointed out, we must direct our continuing attention to the committees, and I think we should try to respond more constructively and thoughtfully to this. I am sure the problem can be met. It would be one where there is established an administrative relationship between the employer and that person. We could work out some arrangement, and I think we should reflect it here, possibly to the very thing you have referred to, Mr. Gibbons. You are very right that in the form it now stands it is conceivable the head of a family would stay out of work so five members could get training, whereas if he were employed they could not.

Mr. O'HARA. If the gentleman will yield, this is the reverse side of the coin I mentioned earlier, where we say to an employee he cannot get into a training program or get an allowance because he is living in a house where the head of that house is employed.

Secretary WIRTZ. We would suggest through the staff, we would try to suggest changes.

Mr. GIBBONS. I think it is a very wise move to consolidate the ARA program. I am glad to see you looking very seriously at this problem of job mobility and people moving from every area. While we are not advocating more peope move to Florida, they constantly do, and it is obvious some of the areas in that State are just not suited to human habitation, and industry and job opportunities have moved away from there.

Yesterday a sister committee of this committee had a long discussion over on the educational side of this committee about the problems of extension and continuing educational programs. Some of the problems advocated before us on the educational side of this committee are similar to the programs that you are carrying on. Is there a constant effort—perhaps this is a leading question—but is there a constant effort on the part of the Labor Department and Commissioner of Welfare, to coordinate these activities, so we are not setting up two simultaneous sets of programs working on the some subject?

Are we setting up two Federal programs, one from Welfare and one from Labor?

Secretary WIRTZ. Yes; there is that constant effort. I don't contend complete objectivity. My only fair statement is that there has been a degree of coordination in the efforts of the programs of HEW, the Department of Labor, and now the Office of Economic Opportunity, which goes considerably beyond what I could have hoped for a year or two or three ago.

Let me answer the question this way: The working relationship between the Department of Labor and Health, Education, and Welfare, is at this point so good that any problem of that kind does not come to my personal attention once in 2 months, and I am sure Secre-

tary Celebrezze's experience would be the same. There are interagency working committees that function quite regularly without, I think, the undue loss of time. In general, there is a line that is hard to describe but which emerges more clearly in practice, the line between educational function and employment function. Everything we do under manpower training and development is oriented to a particular employment opportunity situation. We don't initiate one of these programs until that function has been identified. We identify the people from our records, the ones we think are available for it, and until that is done the program is not begun, and then the training program is turned over entirely to HEW, except for the experimental and development programs.

Just as there is a division in the life of any community between the business side of it, the employment side of it, and the educational side of it, there is that division here. That is not as clearly cut as it should be because the schools ought to be training for the work job. But in general, I think there is at this point no duplication. There is a close harmonious working relationship and despite the fact of our working with the Office of Economic Opportunity, the poverty office—there is still more lost motion there than in a permanently established office—but in the last 3 months that has worked out exceedingly well.

Mr. GIBBONS. I have another question dealing with the Landrum-Griffin bill. It is not exactly germane to this bill, this morning, but I would like to be permitted to proceed.

Mr. O'HARA. You may proceed.

Mr. GIBBONS. The Landrum-Griffin bill, as I understand it, is designed to protect the rank and file worker within his own union and to guarantee that worker a right to choose his own leaders. I have been reading a paper calling attention to some of the problems unions are having with internal elections. Do you feel the Landrum-Griffin bill needs protection or is functioning effectively in that regard?

Secretary WIRTZ. I believe it is functioning effectively. If there are particular problems of that kind, I would be grateful if they were called to my attention. I think if there are questions in our minds administratively in the Landrum-Griffin bill, it would be on the other side. We are applying it so broadly in many situations, both large and small; to be specific, one of the problems in administration in the Landrum-Griffin Act involves this program. Suppose one person files a particular complaint, a single allegation about a particular election, when we investigate that, we investigate not only the particular complaint but all of the elements in the election so we make a broad inquiry into the whole situation. There has been serious criticism of our doing so and there has been litigation which confirms the position we are taking as far as the authority it concerns.

I will mention one other point, by way of illustration. There may be an election where one candidate wins by, say, an 8-to-1 margin and then there will be a complaint filed by somebody on the other side. A very serious question is raised as to whether we should go into the whole thing even though it couldn't possibly affect the results of the election. We have done that. If there is a question raised and brought to my attention, which was your question, it has been on the other side rather than on that one. I don't know or

believe that there is any substantial or significant feeling that there are election abuses, not covered by the Landrum-Griffin Act. I think the concern is the other way.

Mr. GIBBONS. Thank you.

Mr. O'HARA. Mr. Hathaway?

Mr. HATHAWAY. Yes, I have some questions. Mr. Secretary, I enjoyed your comments very much. Getting back to the matching basis, I realize 10 percent isn't much for the State to contribute, but has any attention been given to a sliding scale to be applied to the State contribution?

Secretary WIRTZ. Not in connection with this proposal. There has been a concern about this in connection with a number of the other programs involving matching, and I know that point has been raised there and, of course, you have a kind of comparable question in connection with the primary and secondary education bill which does have an analogous problem and which resolves that problem somewhat in terms comparable to those you suggest.

There has not been consideration of that as far as this bill is concerned.

Mr. HATHAWAY. In your opinion, should there be a sliding scale rather than a fixed percentage?

Secretary WIRTZ. I think not; that is provided the 10 percent can be either in cash or in kind which I think takes care of the problems as far as the States in the most serious circumstances, that gives us a good deal of flexibility. The possibility of a larger matching on the part of States that might be able to afford it, it seems to me, that would make good sense, it would be logical and would make no problem politically. I guess on that second part of that statement on the part of States that can afford it, ideally that would make good sense, but problematically would not come about.

Mr. HATHWAY. Do you think you are in a position to be flexible enough to help the poorer States?

Secretary WIRTZ. You put it in different terms, but we are thinking of the same thing.

Mr. HATHAWAY. I have a question with respect to section 102(7), which you mentioned at the outset of your talk. You stated there weren't any statistics available to show just what percentage of the total number of unemployed were in this category, people who, because of travel or because of the hours, simply could not fill these various service jobs. Is there any educated guess as to this percentage?

Secretary WIRTZ. No, and I don't avoid the question. I just don't know, especially in the terms in which you put it. It would be especially hard because you have added the element of identifying the number of unemployed for that reason. It's hard to get a picture of the job vacancies just in terms of the opportunities. So far we just don't have it.

Adding in the element of those unemployed because they don't take those jobs, makes it exceedingly difficult. I will try to elaborate on that point all I can. There is a feeling in the country that a large number of people just don't want to work, at least not enough to do what is necessary to get the job. That is a greatly distorted and exaggerated question. Every project we have embarked on so far, there are quite a few now in your experimental and developmental

programs, but every program shows a very large recovery potential. In fact, in my longer statement it is stated we probably ought to reject the prospect of the unemployable employee. True, some do suffer the effects of physical or mental handicaps, people who are disadvantaged in one way or another until you get clear down to the very end of that spectrum, to people who just unfortunately can't do it, until you get down to a very small group, our experiments, our projects, show that these people can be improved and returned to useful economic citizenship.

One of the most important problems, I think, is lack of motivation, and this comes close to your question. In the last 100 years discrimination has cut some buds off Negro boys and girls as far as motivation. It is not their fault that they have suffered for many years from discrimination, but we feel these people can be restored. Our studies show we can do that with respect to almost everybody.

I don't make that statement lightly. The question is whether there are some people who are not trying hard enough to get jobs. Yes; there are such people. I say we are going to have to go into this on a person-by-person basis—a retail basis. We think we are going to have to reach out; we can't just put a shingle on our employment service door. We must reach out to the disadvantaged and to those who suffer from lack of motivation. This hits the high schools as much as it hits us today and neutralizes the work we have done.

May I suggest the experiences of this country during the war, and experiences of other countries with which we compare ourselves, would warrant the conclusion that less than one-half of 1 percent of a work force could properly be considered—I hate to use the word "unemployable," but less than one-half of 1 percent present the extreme kind of problem we may not be able to solve.

Another 1½ to 2 percent is a result of the changing between one job or another, the transition we can't get away from in this country. The answer is we ought to be able to do something about the rest of these people. Through the combination of manpower and development, equal opportunity and education, we can probably meet the needs of the rest.

I am sorry the answer is so long, but it is a problem very much on the country's mind—on my mind. Given the kind of program we are talking of here, that number is going to virtually disappear.

Mr. GIBBONS. Will the gentleman yield at this point?

Mr. HATHAWAY. Certainly.

Mr. GIBBONS. I am in sympathy with what you are trying to say, but you apparently outlined about a 2-percent permanent unemployment. That brings me right down to something I heard on the radio the other day, and that was that unemployment was down in Washington to about a 2-percent level.

Secretary WIRTZ. Do you want my comments on that?

Mr. GIBBONS. Yes, sir.

Secretary WIRTZ. I would guess the Washington situation represents an overall basis about as favorable in this situation as anywhere else in the country, but it still leaves the fact in this city there are children, especially, who present a problem of recovery which is exceedingly acute. That situation could, in Washington, be reduced considerably lower. This is relevant in the Scandanavian economy

and in other European countries, other capitalistic countries, with the exception of Canada, where they have situations like ours.

Unemployment is down to somewhere between 1½ and 2 percent. There may be some need to adjust figures, for analogies between large and small countries is difficult, but they have it down to around 1½ to 2 percent. With the economic opportunity and manpower policy here, I count that goal not out of range. Stating it in the affirmative, I haven't time at all for 5 percent; I don't think the country has time for that. I think 4 percent is only a point that will give us some satisfaction as we pass it and I think we can push it on down, given the combination of these two policies. We can push it down into this area of the figures I have suggested, someplace between 2, 3, 3½—I don't know, and frankly, the statistics can only satisfy those who want short, quick answers. It is much more difficult.

We stimulate employment and are going to pull people in from outside work. It is an illusion in terms of specific figures; the figures being announced today will show we have increased jobs in this country a million and three-quarters in the last year, but employment has not gone down outside the work. It is an illusion, mass hypnotism, when we attach everything to this one figure.

Unemployment is down in the District between 1½ or 2 percent. That is right, it could go lower. But that is probably as low as it can go on a demand basis. We think it can go much lower on this human recovery effort.

Mr. GIBBONS. Thank you.

Mr. HATHAWAY. In section 102(7) you don't mention a pilot project. Do you contemplate one?

Secretary WIRTZ. For the District?

Mr. HATHAWAY. No; for the program that you are initiating; do you contemplate a pilot project in any area to see what can be done in view of the fact you don't have specific statistics?

Secretary WIRTZ. It is an attempt to get further information about the job vacancies, both statistically to help in our broad understanding, and operationally, so we can identify them. That is an integral part of the program and I should have identified it as such. The answer is "Yes."

Mr. HATHAWAY. Do you have any idea as to what the cost of this program will be?

Secretary WIRTZ. It will depend on how successful it is. In round figures, Mr. Hathaway, we can assume that the recovery of an individual—I think of it in those terms—via an institutional training program will cost about $1,200 per person. If it is done through an on-the-job training program, it will cost probably less than half. If we can do it in on-the-job training programs, and the programs we have in mind as far as the development thing is concerned would be on-the-job training, the great advantages are there.

First, picking up the point you mentioned, we can do it for one-half to one-third of the cost of an institutional program. Second, it leads much more directly to a job because usually the on-the-job training is with the person who will be the subsequent employer; the training is done by him. Third, it is primarily a private program rather than a public program. That is all to the good. The answer to your question would be how successful it is.

The President, on Monday, in his statement, said we could expect this program; that jobs would be up 10,000 by July. I can't give you an overall figure on this, but I think we can probably expect this job development program can be worked out at public cost at, I would say, between $400 and $750 per person; that is, with the private employer participating to recover the rest of it.

Mr. HATHAWAY. Mr. Secretary, you mentioned that part of the reason people are not employed in various jobs is because of public attitudes toward such jobs; such as cleaning houses, washing windows, and so forth. Do you contemplate any kind of program to try to change this public attitude?

Secretary WIRTZ. Yes; although changing public attitude is, I suppose, the hardest thing we face. We are doing things such as changing job titles on the training programs; we are trying to give them more dignified titles as far as the training is concerned. Housework, I suppose, is roughly the difference between mother and housewife, and what we are trying to reach into is that kind of difference. You do the same thing. If you did it in terms of housework, it is menial. If you do it in terms of motherhood, it is a fine thing, so we take a situation of this kind and talk about homemakers—that kind of thing.

I answer as reluctantly as I do because I can't say I think we have made substantial headway or that we have clear plans for it. But I can almost regret, if not resent, the extent to which the use of Mexicans in the Southern and Western part of the country, has been rationalized, or justified on the ground that it is "stoop labor." As Mr. Gibbons pointed out, it is "stand and stretch" and that "stoop labor" label is a blight on the whole occupation.

Yes; in answer to your question, we are trying, but I don't pretend much accomplishment in that area.

Mr. HATHAWAY. Going on to another subject. On the relocation aspect, you mentioned in your talk that everything, you thought, had been done with respect to bringing jobs to the people and that something now has to be done on relocation. Of course, I am especially concerned with that, coming from Maine, where people are moving out in droves to Boston and New York in search of jobs. I wonder, looking at the whole picture, where we have such an urban problem as pointed out by President Johnson, if perhaps more emphasis should be put on moving the jobs to the people, rather than relocation?

Secretary WIRTZ. Our Department has had little to do with that. The Department of Commerce through the administration of the Area Redevelopment Act, has more to do with that, and now with the recommendations embodied in the Appalachia regional development bill in Congress, has done a great deal more than we have. I don't believe I can claim much Department of Labor credit for moving jobs to the people, except in the councils of government, we have urged the matter be dealt with in human factors, as well as economic factors.

Mr. HATHAWAY. Is there some coordination between your Department and the Department of Commerce?

Secretary WIRTZ. Oh, yes. This matter of the relationship between the job and the person is as central an issue as there is, and the interagency discussions going on in the manpower area now are devoting time to this. The relationship between the individual and the job as

reflected practically in the way you mentioned here is very much in our attention. It seems to me the problem is a great deal broader. It seems to me the problem is a great deal broader. It seems that the whole basis of assumption is that the people are made ready for jobs. That is not necessarily so. It would be just as good an argument or just as logical to say the system is only part of the means and the individual is the end and we ought to do a good deal more thinking with respect to seeing what we call work satisfaction and the need of the individual, instead of the other way around.

I don't mean we have a program of heresy of some kind along these lines, but bringing this thought or view into the specific application, it doesn't make sense to assume an individual should pull his wife out of her community, his children out of the third or fifth grade, because the job is someplace else. I think it would be dangerous planning for us to think of doing that or reversing that. I think it deserves great consideration on this basis.

Mr. HATHAWAY. There is just one more specific question in regard to language in the bill. Section 102(6) indicates that if established the program would apply to "experimental developmental," and so forth, "nonprofit agencies." Is there any reason why private industry could not be utilized to accomplish this end?

Secretary WIRTZ. I believe if the language doesn't say this, it should. We cannot give grants to private profit organizations, but we can make contracts with them which would be on a quid pro quo basis. Yes, the line is pretty generally drawn here, I believe that is correct. The line is generally the line we have drawn in other comparable positions. We cannot make a grant to a private organization, but we can and do make contracts with them which involve what is really a businesslike arrangement.

Mr. HATHAWAY. So it is a matter of changing the phraseology?

Secretary WIRTZ. I think it should be clarified. The point is well taken. As it now stands, it would permit——

Mr. O'HARA. If the gentleman will yield?

Secretary WIRTZ. It excluded the private profit agency altogether and there is no need for it.

Mr. O'HARA. If the gentleman will yield under paragraph 5 of 1022, the Secretary is proposing an amendment which would get into the private agencies somewhat. The grants in 6 would be for public and nonprofit agencies.

Secretary WIRTZ. We would have no objection—excuse me.

Mr. O'HARA. Then 7, of course, stimulates and assists cooperation with agencies on public and private job development programs.

Mr. HATHAWAY. I am reading from the bill and it says "grants or contracts with public or private nonprofit agencies."

Mr. O'HARA. I think that should be clarified.

Secretary WIRTZ. It provides grants only to public or private nonprofit agencies but it could not preclude our making contracts with private profit agencies.

Mr. O'HARA. That is a very good point.

Mr. HATHAWAY. Thank you very much.

Mr. O'HARA. I would like to make one brief point with respect to matching. In my area, and I assume others, while the applying agencies for Manpower Development and Training Act pro-

grams are working in cooperation with the State educational people, applicants often have been agencies other than State agencies. They have been local school districts, and in a few instances, they have been labor organizations, or private church groups interested in providing opportunities for the unemployed. We have had these requests and my understanding is that your matching proposal would permit a labor organization, local school district, or church group that had a training proposal to provide in cash or in kind the 10 percent non-Federal share. It wouldn't be necessary to go to the State legislature for an appropriation every time a church or labor local or school district wanted to establish a worthwhile training program that met a need, if they were willing to put up, in kind or cash, the non-Federal share of the cost.

I think that is a good change.

We have kept you much longer than your schedule permits. I would like to release you now. Thank you for your excellent testimony, and for your enlightening discussion.

The committee will now recess until 10 o'clock tomorrow when we will hear further testimony on the proposed Manpower and Development Training Act amendments. Our witness will be Mr. Ivan A. Nestingen, Under Secretary of Health, Education, and Welfare.

(Whereupon, at 11:50 a.m., the hearing adjourned, to reconvene Friday, February 5, 1965, at 10 a.m.)

(The following material was submitted by the subcommittee staff. Portions of the replies received by Secretary Wirtz to his letter of May 7, 1964, have been excerpted by the subcommittee staff and are reproduced below. Copies of all replies are available in the subcommittee files.)

Alaska (Gov. William A. Egan): "I share your opinion regarding the importance of this program. Certainly it has been of great help here in Alaska.

"It is my hope that Alaska's participation will continue uninterrupted in the years ahead."

Arizona (Gov. Paul Fannin): "This office is cognizant of the contribution that the Manpower Development and Training Act program is making to Arizona's economy. We point with pride to the fact that 90 percent of the trainees successfully completing training have secured full-time employment."

Colorado (Gov. John A. Love): "For the State of Colorado to fully match one-third of its $3,620,000 Federal allocation for the fiscal year 1965–66 would cost $1,207,000 in State funds. Of such sums, it is estimated that the ratio of subsistence or training allowances to cost of training is about 2 to 1 and can be expected to continue at approximately this ratio in the future.

"* * * I cannot at this time assure that State appropriations required for continued participation in the program beyond the current fiscal year will be made. I will, however, present this request in my 1965–66 budget proposal to be made at the 1965 session, and will make every effort to assist the legislature in making a favorable decision.

"The extent of State support for manpower development and training will have to be weighed in the context of continuing and mounting pressures for State support for primary and secondary education and education beyond the high school, but I am confident a start can be made."

Connecticut (Gov. John Dempsey): "As you may know, Connecticut was a pioneer in job retraining, and I feel confident that our general assembly will approve continued participation in the program to the fullest possible extent."

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Delaware (Gov. Elbert N. Carvel): "The Manpower Development and Training Act training program has, as you have noted, been most successful throughout the Nation and especially here in Delaware where our unemployment rate is one of the lowest in the Nation.

"I plan to give careful study to the need for the enactment of legislation authorizing and appropriating matching funds * * *."

District of Columbia (Walter N. Tobriner, President, Board of Commissioners): "The Board of Commissioners is aware of the progress of the Manpower Development and Training Act training programs, both in the District of Columbia and throughout the Nation. Before the amendments to the act were passed in December 1963 the Commissioners had approved the continuance of the program in the District of Columbia on a 50–50 matching basis for fiscal year 1965 * * *.

"In your letter you suggest that we act in 1964 to assure continuation of the Manpower Development and Training Act program beyond June 30, 1965, in the event that our 1966 appropriation bill should not be enacted by that date * * *. However, we would propose to review the situation about March 15, 1965, as to the progress of our 1966 Appropriation Act. Should it be evident that our appropriation act might not be passed in time, we will request either that the Appropriations Committees consider approval of continuing the program beyond June 30 or that a joint resolution be passed for the District to continue participation in the program until final action is taken on the 1966 Appropriation Act."

Florida (Gov. Farris Bryant): "Although I will no longer be Governor when the Florida Legislature meets in April 1965 it is my understanding that the State department of education and the Florida Industrial Commission are evaluating the needs with respect to this program and expect to be prepared to make appropriate recommendations to the 1965 legislature."

Georgia (Gov. Carl E. Sanders): "I understand that this program has been administered in Georgia through the combined facilities of the departments of labor and education; I will discuss the continuance of this program with the respective directors of these two departments and advise you if enabling legislation is necessary.

"* * * It is apparent that this program has proved its worth and I am reasonably certain that Georgia will want to continue to share its benefits."

Hawaii (Acting Gov. William S. Richardson): "Our legislature, at its recently completed budget session, passed the necessary legislation which I approved as act 11 on April 15, 1964, a copy of which is enclosed for your information.

"We look forward to continued participation in the program."

Iowa (Gov. Harold E. Hughes): "The Iowa General Assembly will convene in January of 1965 and it is my hope that necessary legislation can be introduced and enacted in order for Iowa to continue in the program."

Kentucky (Gov. Edward T. Breathett): "The regular session of the Kentucky General Assembly meets only on even-numbered years. The 1964 session adjourned in March. No action was taken on State appropriations for the Manpower Development and Training Act by this regular session. We shall, however, keep in mind these requirements for the future and take such action as we may find necessary as the need arises."

Maryland (Gov. J. Millard Tawes): "I understand that beginning July 1, 1965, Maryland's continued participation in the training program will depend on its enactment of legislation authorizing and appropriating matching funds. This matter will be brought to the attention of the appropriate State officials."

Massachusetts (Gov. Endicott Peabody): "Massachusetts, in my administration, has taken full advantage of this legislation. When I took office, only 9 persons had been approved for training, and as of June 1 of 1964, over 4,000 people have been afforded the advantages of the legislation. We are extremely proud of this record.

"I have made the continued emphasis of Manpower Development and Training Act training an integral part of my administration's program and have every intention of submitting legislation, with a special message, to assure Massachusetts' participation in the program beyond July 1, 1966 * * *.

"Please be advised, however, that although I will submit this legislation to assure our continued participation in the program, I have every intention of supporting continued full Federal financing. I shall bring this to the attention of

the President and hope to have the support of the entire Massachusetts congressional delegation."

Michigan (Gov. George Romney): "I agree with you as to the importance of this program and am doing everything possible to insure Michigan's uninterrupted participation. In this regard, I have unsuccessfully attempted to have a joint resolution adopted by the Michigan Legislature indicating legislative intent * * *.

"However, I am considering calling a special session of the legislature this fall to act on various other important subjects, at which time this matter would be resubmitted. In any event, I contemplate that this will be taken up at the next regular legislative session of 1965, starting in January 1965.

"I am confident Michigan will continue its uninterrupted participation in this vital program."

Missouri (Gov. John M. Dalton): "We will give serious consideration to the type of legislation necessary in Missouri to continue participation in this program."

Montana (Gov. Tim Babcock): "I am referring this information to our State's budget officer so that it might receive consideration during our next legislative session."

New Hampshire (Gov. John W. King): "I am pleased to learn that full Federal financing of the program has been extended through June 30, 1965. We shall take steps to make an early request for the necessary State matching funds at the 1965 session of the legislature."

New York (Gov. Nelson A. Rockefeller): "We, too, are pleased that New York State has made a significant contribution to the success of the manpower program and as long as it is in the best interest of the people of the State, we will continue to give our full support to the program.

"The New York State Legislature, before adjourning in March, passed legislation which authorizes the industrial commissioner to approve from available State moneys an amount necessary to continue participation in the manpower program beyond July 1, 1965 * * *.

"The State, however, has not and cannot commit itself in the form of an appropriation to match Federal funds for our 1965–66 fiscal year until the legislature considers this matter in 1965 * * *. When the legislature convenes next year, I am sure that the manpower development and training program will receive careful consideration and a thoughtful review."

North Carolina (Gov. Terry Sanford): "We are making plans to get matching funds appropriated in order to participate in the Manpower Development and Training Act program after June 30, 1965.

"We * * * believe that the Manpower Act has been an important addition to the resources for equipping our people to compete in the modern economy."

Oregon (Gov. Mark O. Hatfield): "As we prepare our budget for submission to the 1965 session of the legislature, we will give careful study to State participation in the financing of this program."

Pennsylvania (Gov. William W. Scranton): "We are very proud of Pennsylvania's participation in this program and we look forward to continuing and accelerating action with the amended act.

"* * * In a special concurrent session this year, advance consideration was given to the future requirement that Pennsylvania provide matching funds for manpower development and training courses and by resolution to the next general session (1965). Since funds would not be required until the fiscal year beginning July 1, 1965, and the legislature would convene 6 months prior to that date, the resolution was timely toward appropriation legislation next year. The legislature in passing the joint resolution also authorized the appropriate State agency, our bureau of employment security, to approve manpower development and training programs extending into the matching fund period in anticipation of appropriation action. This will permit continuing and uninterrupted operation of the program and indicates that it is the will of both the administration and the legislature that necessary appropriations for this program will be provided as needed henceforth.

"There is a most urgent need for congressional action to appropriate Federal funds for this program on a current basis as soon as possible for we have proj-

ects which have reached the "approvable" stage but are being held up for lack of funds. In addition to these, there are several score proposals for programs which could be submitted if there were any indication that funds would be available promptly * * * I would strongly urge that action be taken to speed the release of these funds without delay."

Puerto Rico (Gov. Luis Muñoz Marín): "We of the Commonwealth of Puerto Rico have always been most profoundly concerned about the importance of this program to our people.

"* * * Let me assure you that I shall recommend to our legislative assembly the appropriation of adequate funds to share with the Federal Government its splendid efforts in this vital field."

South Carolina (Gov. Donald Russell): "It is a pleasure for me to report that South Carolina has made a great deal of progress under a federally financed program designed to help that segment of our population who, through lack of education or opportunity, finds it impossible to escape the effects of poverty. In South Carolina we received a $5.6 million grant under Public Law 87–415, the Manpower Development and Training Act, for 1964–65. With these funds we launched a program of special training for economic progress.

"South Carolina is in particular need of this program because of the high birth rate, the youthful population, the unusually large farm population, and low per capita income. The program initiated in South Carolina with Manpower Development and Training Act funds is designed to offer both literacy and vocational training to 5,000 underprivileged citizens in its initial stages * * *.

"The program which we have initiated is proving highly valuable to South Carolina * * *. Therefore, we would not like to see the program curtailed in any fashion in South Carolina. Yet, at the same time, we do not anticipate that we will have the significant sums of money necessary to meet matching funds requirements presently scheduled to go into effect July 1, 1965.

"* * * Therefore, I respectfully request that you give consideration to having the administration sponsor appropriate amendments which would postpone the effective date of the matching funds provision of the Manpower Development and Training Act program for at least 3 additional years."

Tennessee (Gov. Frank G. Clement): "Your letter concerning the matching funds which will be required for participation in Manpower Development and Training Act programs after June 30, 1965, will receive very careful attention by our departments of employment security, education, and finance. With our system of vocational and technical schools under construction, we shall certainly want to make preparation for both continued and fuller participation in training and retraining programs."

Virginia (Gov. Albertis Harrison, Jr.): "The program has provided training for 812 persons, of whom 478 are now gainfully employed. We have 274 persons now receiving training, and Federal approval has been given to projects developed for fiscal 1964 that should train 889 additional individuals. It is our purpose to pursue vigorously the execution of these approved manpower development and training projects, and when the operations for fiscal 1964 have been completed there should be a sufficient base of experience to offer a more intelligent evaluation * * *.

"I should point out that the General Assembly of Virginia meets biennially, and the 1964 session adjourned on March 7. It will not reconvene in regular session until January 1966 * * *. The general assembly did not consider, at its recent session, an appropriation * * *, because our experience was too limited to properly justify such a request."

Wisconsin (Gov. John W. Reynolds): "I agree with you that the Manpower Development and Training Act is a milestone in this Nation's efforts to restore to gainful employment many thousands of workers who do not possess the skills required in our rapidly changing technological society. Our State is fortunate in that it has a very conducive climate for manpower development and training. Wisconsin has 42 successful institutional training projects because of the splendid cooperation that exists between its State and local vocational educators and the State employment service personnel * * *.

"Under policies in effect at the present time, the manpower training program has been federally funded and controlled. When the legislature is asked to appropriate matching funds on a one-third basis beginning in July 1965 and a

50-percent basis beginning on July 1, 1966, it is possible that it may wish project approval to be lodged in the respective State authorities.

"The State industrial commission which administers the employment service and the State board of vocational and adult education which directs the institutional training have both advised me that it is important for us to be able to advise the legislature that general control of the program will be returned to the State at the time that it assumes a share of its funding. There is evidence that Federal approval of manpower development and training projects has somewhat delayed program initiation in our State on some occasions. We believe Wisconsin has the ability to meet the challenge of the Manpower Development and Training Act under minimum requirements for program operation established by the responsible Federal agencies.

"We believe that we are conducting a fine program of vocational education with the assistance of funds appropriated under the Smith-Hughes and George-Barden Federal Vocational Education Acts. Programs conducted under these laws do not require Federal approval prior to their initiation. The standards for program operation are outlined in a State plan for vocational education developed by our State board of vocational education and approved by the U.S. Office of Education. We hope that a similar arrangement may be established for the Manpower Development and Training Act * * *.

"I am requesting the State board of vocational education and the industrial commission to prepare legislation for consideration of the 1965 legislature for the matching of funds made available under the Manpower Development and Training Act beginning on July 1, 1965. It is impossible to predict the action of the legislature at this time. I hope that approval will be granted so that the training programs for unemployed workers * * * may be continued and expanded."

(Copies of all replies received to the Secretary's joint letter of September 17, 1964, are available in the subcommittee files. Summaries of responses to the questions asked in the letter and excerpts from the replies have been prepared by the subcommittee staff for inclusion in the record:)

Responses to the first question, concerning action already taken

The joint letter first asked each State to indicate by a response of "Yes" or "No," with appropriate comments, whether "funds have been appropriated or authorized in sufficient amount to cover the estimated State-matching costs for the conduct of training allowances, and administration and supervision costs related to institutional training."

The replies received were:

"Yes": 3 States (Kansas, Kentucky, and New Mexico).

"No": 27 States and 3 territories (Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Michigan, Mississippi, Missouri, Montana, New Hampshire, New York, North Carolina, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Washington, Guam, Puerto Rico, and Virgin Islands).

In addition replies were received which did not clearly respond "Yes" or "No" to this question.

Responses to the second question, concerning prospective action

The joint letter also asked each State to indicate by a response of "Yes" or "No," with appropriate comments, whether "provision has been made or will be made in the State budget for fiscal year 1966 to cover estimated State-matching costs, and favorable action by the State legislature is anticipated."

The replies received were:

"Yes": 12 States and 3 territories (Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Missouri, New Hampshire, New Mexico, Guam, Puerto Rico, and Virgin Islands).

"No": 11 States (Alabama, Arizona, California, Florida, Mississippi, Montana, North Carolina, Oregon, Rhode Island, South Carolina, and South Dakota).

Replies were also received which did not clearly respond "Yes" or "No" to this question.

(Excerpts from comments offered in response to the two specific questions in the joint letter of September 17, 1964, and to the letter generally, are reproduced below:[1])

Alabama: "The State * * * is now in the process of evaluating the Manpower Development and Training Act program. A determination as to Alabama's further participation * * * will be made prior to the regular session of the Alabama Legislature in May 1965."

Arizona: "Arizona has no State budget and therefore no way of providing for the inclusion of matching funds * * * after July 1, 1965, except as the separate State agencies involved may include such requests in their budget estimates to be submitted to the legislature in January 1965."

Arkansas: "General assembly meets only in uneven years—1963, 1965 * * *. Cannot foresee the general assembly appropriating suggested amount."

California: "We in California are highly pleased with the results obtained under the program to date, and * * * are anxious that it be continued and expanded. We must raise serious questions * * * however, as to the wisdom or practicality of requiring one-third matching participation * * *. There can be no assurance at this point that California will be able to meet the matching requirement * * *. At a time when many administration fiscal experts and economists are debating the best methods of using Federal resources to assist State and local governments in meeting the twin problems of expanding service needs and limited tax bases, it would seem to me that they might well consider eliminating matching requirements in such programs as the Manpower Development and Training Act. They could do so in confidence that the program is helping to meet a national need"—(Gov. Edmund G. Brown).

Colorado: "A budget is being presented to the * * * budget officer for inclusion in the State budget for fiscal year 1966. As of this date, no indication has been received that this budget will receive favorable action by the Colorado Legislature."

Delaware: "We are recommending an appropriation of $282,000 to provide for the full one-third matching."

Florida: "Provision will be made in the agencies' budget request to the 1965 legislature for State matching costs, but it is too early to determine if legislative action will be favorable * * *."

Guam: "Funds will be requested from the legislature during the January session."

Hawaii: "The 1964 State legislature authorized the department of labor and industrial relations to participate in the manpower development and training program. I will include a request in the budget to be submitted to the next regular session for funds and authorization for the department of education to participate in the program. I am highly optimistic that funds will be made available to both departments for the purpose of continuing the manpower development and training program in Hawaii"—(Gov. John A. Burns).

Idaho: "This request will be acted on by the legislature convening in January 1965. Impossible to forecast their action at this point in time."

Illinois: "Illinois Legislature meets January 1965. The Governor of Illinois announced at a press conference that he would request the legislature to appropriate State matching funds."

Iowa: "The Iowa Legislature meets in January 1965 * * *. Budget request presented to Governor for inclusion in his budget message * * *. The department of public instruction has included the following items in their budget for State matching funds for the biennium 1965–67:

Purpose	1965–66	1966–67	Total
Training	$700,000	$700,000	$1,400,000
State supervision	20,000	20,000	40,000"

[1] In those cases where the quoted comments are directly from letters signed by State Governors, appropriate acknowledgment is made.

Kansas: "The 1963 regular session of the Kansas Legislature enacted senate bill No. 442 authorizing this State's participation in the Manpower Development and Training Act of 1962, and authorized the appropriation of the necessary funds to meet the matching requirements" (Gov. John Anderson, Jr.).

Kentucky: "We have reviewed carefully the effect of the Manpower Development and Training Act as it operates in Kentucky, and we believe the program is an unqualified success. * * * Nearly 80 percent of the trainees have been placed in good jobs upon completion of their training. Nearly 1,000 trainees have already been placed and we can reasonably expect that close to 3,000 of the 3,700 currently enrolled will be satisfactorily placed. This is 4,000 previously unemployed, and probably unemployable, Kentuckians who have or soon will have skills and jobs using those skills * * *.

"The success of the program is even more noteworthy, I believe, in view of the fact that close to four-fifths of the trainees are from the Appalachian area of the State where unemployment is chronic and extremely severe. Most of the trainees from the Appalachian counties have been placed in employment outside their own home areas. * * * A surprising number, however, have been placed near their homes, thereby improving, however slightly, present and future economic prospects for the Appalachian region.

"Kentucky thus is sold on vocational training. We have built or made major additions to five vocational schools in recent years and have plans to build, or make major additions to, eight schools. We have nearly tripled State appropriations to operate vocational facilities since 1960. * * * Our local school districts and other local agencies have strained to the utmost to make facilities and personnel available for vocational purposes; many expensive facilities have been made available, without charge, for Manpower Development and Training Act programs.

"Because of Kentucky's total commitment to a sound and extensive vocational program, I most regret the prospect of a shift in financial responsibility from the Federal Government to the States. Under the apportionment schedule provided by your office, Kentucky's matching share is about $1.3 million, but at the present level of operation in Kentucky, the one-third State share required in 1965–66 will total more than $4 million. Even the smaller of these amounts cannot be made available. Kentucky's budget is on a biennial basis and is already set for 1965–66, but even if the legislature were to be called back into session, financial resources of this magnitude are not available. Thus, Kentucky simply cannot commit additional resources to the Manpower Development and Training Act in 1965–66.

"* * * This is an unfortunate circumstance, but one which can be answered only by a continued Federal assumption of major financial responsibility" (Gov. Edward T. Breathitt).

Louisiana: "At this early stage of development it would be difficult for the Governor to project a positive position as to the degree of action by the State legislature that will be recommended * * *.

"The Governor is favorably impressed with the basic intent and purposes of the Manpower Act and urges that Federal officials seriously consider continuation of the manpower program on a 100-percent federally financed basis beyond the year 1965."

Maine: "Appropriations for the continuation of this program will be requested of the 102d Maine Legislature, convening on the first Wednesday of January 1965, for the purpose of deriving the State matching share cost of training programs conducted for the biennium beginning July 1, 1965" (Gov. John H. Reed).

Michigan: "Because we in Michigan so highly regard the potential good to the citizens of our State resulting from our continued participation in these programs, I am going beyond the scope of the questionnaire, and am expressing herein my viewpoints in more detail.

"You and Secretary Celebrezze may be assured of our efforts to continue Michigan in these programs. * * * We are endeavoring, through renewed emphasis in the educational process of our State, to properly prepare our young persons to meet these new needs of trade, commerce, and industry. However, we also recognize a great obligation to the unemployed out-of-school adult, whose skill may have been obsoleted, or whose prior educational preparation has not properly qualified him or her for the job opportunities of today. It

is for these persons, and the unemployed out-of-school youth for whom we wish to continue the promising aspects of vocational training and retraining under the Manpower Development and Training Act.

"I have already taken several steps in this regard. I have instructed my office to include a line item in the fiscal 1966 budget request to the legislature in an amount not less than $4,814,000 as matching funds to qualify Michigan for continuous participation in Manpower Development and Training Act programs. I intend to make the necessary requests for the same purpose in succeeding years. I have every reason to believe that legislative support will be forthcoming for these requests.

"I also intend to gain the maximum value of all programs in Michigan which are engaged in action against poverty. For this purpose, I have appointed as my special assistant Mr. Malcolm R. Lovell as full-time coordinator of all Federal, State, and local level antipoverty and manpower programs in Michigan. * * *

"It is my hope that this letter will not only inform you of our intentions as to the Manpower Development and Training Act but will also convey to you some measure of our interest and enthusiasm with respect to it * * *" (Gov. George Romney).

Missouri: "With the Governor's encouragement and support, Missouri has initiated and is carrying on a very ambitious program.

"With the State matching funds provision confronting us, we do not want any slackening of the program for lack of State resources. We in the Missouri State Employment Service and our counterparts in the State department of vocational education have prepared a budget estimate for the ensuing 2 years beginning with one-third State matching funds on July 1, 1966, and one-half State matching funds on July 1, 1967. This is made necessary because our general assembly meets only once each biennium and its next session will be from January through June of 1965.

"Budget requests by our two departments have been made on the basis of experience gained through actual expenditures on 52 completed manpower development and training projects. In fiscal year 1966, we used the Bureau's estimate of $5,708,000 for Missouri which is the estimated Federal portion for 1966 based upon an estimated Federal appropriation to the States of $245 million. For fiscal year 1967, we have estimated the Federal portion to the States as being $300 million with Missouri's apportionment being $6,990,000. The Governor's budget message to the legislature will contain a request in a tentative amount for Manpower Development and Training Act as follows:

	Fiscal year 1966	Fiscal year 1967	Total
State vocational education department	$1,238,174	$3,398,640	$4,636,814
Missouri State Employment Service	1,298,714	3,591,360	4,890,074
Total	2,536,888	6,990,000	9,526,888

"We do not propose to speak for the legislature but we are of the opinion that the State legislators are aware of the results that have been obtained and that they will be disposed to continue the program" (LeRoy Schantz, director, division of employment security).

Montana: "State budget director will be given the amount of matching funds necessary for fiscal years 1966 and 1967 from both the unemployment compensation commission and State department of education. Not known at this time what action the State legislature will take."

New Hampshire: "I met with Governor King, Education Commissioner Paul Farnum, and State Manpower Development and Training Act Advisory Committee Chairman Anthony Corriveau on September 18, 1964, to review this matter. We determined that New Hampshire would take the following actions:

"1. The general court would be requested to appropriate $314,000 for use in fiscal year 1966 to match Federal funds * * *.

"2. The sum of $476,000 would be requested for fiscal year 1967 for the same purposes.

"3. We would not seek separate appropriations for allowances and institutional training costs but would request one appropriation to be shared jointly by the department of employment security and the department of education * * *.

"4. This legislation will be sponsored as early in the session as practicable and will have the endorsement of Governor King * * *" (Benjamin C. Adams, commissioner, department of employment security).

New Mexico: "The State department of education, vocational division, will meet its part of administration for Manpower Development and Training Act that run into the next fiscal year out of present budgets if it cannot be received from Federal reserve funds.

"The State department of education, vocational division, is requesting $90,000 to meet its part for administration of Manpower Developing and Training Act programs beginning July 1, 1965."

New York: "My budget director is currently studying the financial and program implications of New York's participation in all Federal training programs.

"The New York State Legislature has not yet appropriated funds to cover the estimated State matching costs required after July 1, 1965. Such an appropriation cannot be made until the 1965 session of the legislature which opens next January. The legislature before adjourning in March 1964 did, however, pass legislation which authorizes the industrial commissioner to approve from available State moneys an amount necessary to assure continuation of manpower programs initiated prior to July 1, 1965 * * *.

"Please be assured we in New York State will continue to give the manpower development and training program our most careful consideration and a thoughtful review" (Gov. Nelson A. Rockefeller).

North Carolina: "We have made extensive use of Manpower Act funds and are anxious to continue to do so * * *. The State board of education has not included a budget request for [matching] funds. There is some feeling that funds will not be available to meet this need and other public educational needs."

Puerto Rico: "The Commonwealth of Puerto Rico is strongly in favor of the development of manpower training programs * * * provisions will be made in our 1966 Commonwealth's budget to cover the matching costs for the continuance of the Federal-State manpower training programs. Due to the importance of these programs I anticipate a favorable action on the part of our legislative bodies" (Gov. Luis Muñoz Marín).

Rhode Island: "It has been suggested to the director of the department of employment security that he include such funds in his recommendations for appropriations."

South Carolina: "The Manpower Development and Training Act program is achieving dramatic results in South Carolina. I am informed by your regional representatives that the South Carolina program is expanding at a rate which exceeds any other State in the Nation in both numbers of students being reached and in the full statewide coverage in that the program is now serving 32 of our 46 counties. Our program is unique in that a majority of those being reached are functional illiterates. As an illustration * * * 41.7 percent of the trainees have less than an elementary education as compared with a national average of 4 percent for the same category.

"I earnestly solicit your support in delaying the matching provisions for the 1966 fiscal year. This program is making a giant stride in South Carolina toward alleviating the pain of poverty and lifting the stigma of ignorance" (Gov. Donald Russell).

South Dakota: "A copy of the resolution adopted by the South Dakota Manpower Development and Training Advisory Committee favoring a State appropriation of $285,000 for the continuation of the manpower development and training program is attached. This resolution has been filed with the State budget officer. Action by the legislature cannot be determined or predicted at this time."

Texas: "The Texas Employment Commission and the Texas Education Agency have included provisions for Manpower Development and Training Act matching funds in their State budget requests for the biennium beginning September 1, 1965. It is not possible to accurately forecast what position the State legislature may take with respect to appropriating such funds."

Governor Connally's budget recommendations for the biennium beginning September 1, 1965:

Manpower Development and Training Act:

To date, the Manpower Development and Training Act has been financed entirely by Federal funds. The Federal act however stipulated that eventually State participation is required. Existing Federal law requires that each participating State must provide matching funds equal to one-third of the costs for programs instituted within the State for the fiscal year beginning July 1, 1965, and one-half of the costs for each fiscal year thereafter. For fiscal year 1964, Congress authorized $165 million for the program. Of this amount only two-thirds was actually appropriated, with $90 million being allocated to the various States. The Texas share was $3.3 million. For fiscal year 1965, the authorized Federal appropriation is $407 million, and Texas' share is more than $9 million, $5.5 of which is to be made available to the employment commission and the balance to the Texas Education Agency.

"The logical sequence of Manpower Development and Training Act is identification of job demands (vacancies) which can be met by training, selection of unemployed individuals capable of being trained, provision for training, and placement. Manpower development and training has encouraged some vocational education people (in public schools and terminal junior college) to be more alert to the relationship between the curriculum and the job market but has not provided the stimulus need for a vigorous vocational training program. It has suggested ways in which the placement people (TEC) can be increasingly helpful in informing vocational education people of job demands. In isolated cases channels to employment have been unblocked with the cooperation of organized labor and employers.

"On the other hand, there are very real limitations on the program. It is not feasible in depressed areas (where there already exists a surplus of trained labor) or times of general high unemployment. Not all of the unemployed are willing to take training; not all who are willing prove capable.

"Unit costs per trainee, however measured, seem high. In part this reflects a built-in conflict: training should be given if there is a reasonable probability of employment, but the least skilled and the least capable persons—those least likely to get jobs unless they receive training—are the ones the program is meant for.

There is no denying the need for accelerated programs of vocational and technical training in Texas. To achieve this objective the recommendations for funds to provide greater State participation are contained in the Texas Education Agency; consequently, the request for matching participation for manpower development and training is not recommended."

Utah: "The Utah Legislature does not meet until January 1965. By that time Utah will have a new Governor. * * * I regret that we are unable to answer your questionnaire at this time, but under the circumstances it would appear that nothing meaningful can be transmitted to you earlier than mid-November" (Gov. George D. Clyde).

Virginia: "The General Assembly of Virginia does not convene again in regular session until January 1966. * * * You may be reassured that the subject will have our careful consideration prior to that session" (Gov. A. S. Harrison, Jr.).

Virgin Islands: "I am sending herewith a statement indicating that the Virgin Islands matching costs for the fiscal year 1966 under the Manpower Development and Training Act of 1962 will be included in our budget document which will be sent to the legislature in January 1965. * * *" (Gov. Ralph M. Paiewonsky).

Washington: "I wish to assure you of my continued interest and assistance in supporting the Manpower Development and Training Act of 1962, as amended in 1963.

"The operating budget requests for the 1965–67 biennium have recently been submitted by the two State agencies, employment security department and the vocational education agency, who are currently participating in this program. These requests have been formulated on the basis of State matching funds to fully utilize the Federal funds available to the State of Washington. However, I

would be less than candid if I did not indicate that tremendous pressures exist in the competition for the State general fund dollar, particularly in the functional areas of education, welfare, and public institutions.

"* * * It would be premature at this time to indicate to you the action that might be anticipated by the coming session of the State legislature" (Gov. Albert D. Rosellini).

The Secretary's January 1965 letter was sent to the new Governors-elect of these States: Arizona, Delaware, Florida, Indiana, Kansas, Massachusetts, Missouri, North Carolina, South Dakota, Utah, Washington, West Virginia, and Wisconsin. The letter was also sent to the new Governor-elect to Puerto Rico.

Replies were received from Delaware, Florida, Kansas, Massachusetts, Wisconsin, and Puerto Rico. These are available in the subcommittee's files.

(Excerpts from several of these replies follow:)

Florida: "The State of Florida has already begun its program of planning both through the office of Dr. Sam Hand, director, office of economic opportunity, and the Florida Industrial Commission. * * * I am forwarding a copy of your communication to each of these departments" (Gov. Haydon Burns).

Massachusetts: "The manpower development and training programs of the Commonwealth are presently undergoing an intensive review to determine the effectiveness of the program here.

"Upon completion of this review, steps will be taken to continue our participation in this program. * * *" (Gov. John A. Volpe).

Wisconsin: "I am in accord with the principle of providing retraining opportunities to unemployed persons. * * * I am concerned with the ability of Wisconsin to participate in the manpower development and training program when the matching requirement for funds at the rate provided in the Federal statute becomes effective.

"Demands for State support in all areas of operation are skyrocketing, particularly in the field of education. * * * It will be most difficult to provide the tax resources through which our State legislature may provide the matching funds required. * * *

"The manpower development and training program appears to be an important working ingredient of the total antipoverty approach. We believe that matching provisions of the Manpower Development and Training Act should be alined with those established in the Economic Opportunity Act which is based on a 90–10 matching ratio.

"* * * I hope, therefore, that the Congress may review the matching provisions of the Manpower Development and Training Act as established at the present time and give consideration to a change in these matching requirements * * *" (Gov. Warren P. Knowles).

Puerto Rico: "In my 1965 budget message to our legislature, I recommended that the required funds be approved to match Federal funds for the continuation of the manpower development and training programs after July 1, 1965.

"* * * These activities are essential to maintain the rate of social and economic development that Puerto Rico has experienced in recent years.

"The Manpower Development and Training Act of 1962 has given opportunity to about 8,500 workers to undergo training and retraining in different occupations. The majority of those who completed training have been able to obtain gainful employment in the occupations for which they were trained or in related ones * * * " (Gov. Roberto Sánchez Vilella).

On May 7, 1964, the Secretary sent individual letters to Governors of all States and territories, except Guam and Louisiana which were not then participating in the Manpower Development and Training Act program. Replies have been received from the following 30, in-

cluding Louisiana, to whom the Secretary directed a letter soon after he signed the Manpower Development and Training Act agreement:

Alaska
Arizona
Arkansas
Colorado
Connecticut
Delaware
District of Columbia
Florida
Georgia
Hawaii
Iowa
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Missouri
Montana
New Hampshire
New York
North Carolina
Oregon
Pennsylvania
Puerto Rico
South Carolina
Tennessee
Texas
Virginia
Washington
Wisconsin

Governors, or other officials, of the following 36 States replied to September 17, 1964 joint letter of the Secretaries of Labor and HEW; those also replying to former's earlier letter are starred:

Alabama
*Arizona
*Arkansas
California
*Colorado
*Delaware
*District of Columbia
*Florida
Guam
*Hawaii
Idaho
Illinois
Indiana
*Iowa
Kansas
*Kentucky
*Louisiana
Maine
*Michigan
Mississippi
*Missouri
*Montana
*New Hampshire
New Mexico
*New York
*North Carolina
*Oregon
*Puerto Rico
Rhode Island
*South Carolina
South Dakota
*Texas
Utah
*Virginia
Virgin Islands
*Washington

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

FRIDAY, FEBRUARY 5, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10 a.m., pursuant to recess, in room 214–B, Longworth Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara and Hathaway.

Staff members present: Dr. R. E. L. Knight, director of the subcommittee; and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. The Select Subcommittee on Labor of the House Committee on Education and Labor will be in order.

The subcommittee today will continue hearings begun yesterday on H.R. 4257 and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962.

The chairman of this subcommittee is the gentleman from Pennsylvania, Mr. Holland. Mr. Holland is temporarily absent and in his absence, I am presiding over the meetings at his request.

Yesterday, our witness was the Secretary of Labor, the Honorable Willard Wirtz, who gave the views of the Department of Labor and of the administration on this bill. Today, our witness will be the Honorable Ivan Nestingen, who is Under Secretary of the Department of Health, Education, and Welfare.

Mr. Secretary, we are very pleased to have you appear before us. We would be very happy if you would proceed with your statement in any manner that you wish.

STATEMENT OF IVAN NESTINGEN, UNDER SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY ROY DUGGER, DEPUTY DIRECTOR, DIVISION OF VOCATIONAL AND TECHNICAL EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; AND JAMES CLARKE, ASSISTANT TO THE UNDER SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Nestingen. Thank you, Mr. Chairman, and Mr. Hathaway. I would like to say it certainly is a pleasure for me to have the opportunity of making this appearance. I wish to express the regrets of Secretary Celebrezze for his inability to testify this morning. Therefore, I am representing the Department and the Secretary for this appearance.

Mr. Chairman, I have had prepared a fairly lengthy statement which I would like to submit with your permission to the committee and then summarize from that statement, for purposes of the hearing, in a relatively few brief comments.

Mr. O'HARA. Without objection, your prepared statement will be entered at this point in the record.

(The statement referred to follows:)

STATEMENT BY IVAN NESTINGEN, UNDER SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the committee, I welcome the opportunity to appear before this committee on behalf of Secretary Anthony J. Celebrezze, and and to discuss with you amendments which the President has proposed to the Manpower Development and Training Act.

First, I want to give a brief summary of the progress of the manpower training program. The annual reports on the administration of the Manpower Development and Training Act are required by law of the Secretaries of Labor and Health, Education, and Welfere by April 1 of each year. While these reports will, therefore, appear soon, it is nevertheless in order here to suggest the conclusions of experience before discussing the proposed amendments which that experience urges.

The Manpower Development and Training Act of 1962 was enacted in a belief in its need and in a hope for its success. Since there were no real precedents for it, however, it was necessary to wait and see if the act would serve its intentions well. Now after 2½ years of experience, and with the original act adjusted by the amendments of 1963, we have a confidence that this legislation is sound. The Manpower Development and Training Act is serving well. With this legislation we are providing thousands of unemployed American citizens with the means to obtain employment. A job is a citizen's passport to self-respect and dignity. An employed citizenry is vital to our national economic strength and freedom.

SUBSTANTIAL PROGRESS

The Manpower Development and Training Act has achieved a substantial degree of progress. The cumulative statistics, as of January 26, 1965, reveal that 305,000 trainees had been approved for institutional training projects.

By the end of January 1965, approximately 85,000 trainees had been graduated from manpower development and training programs. The placement rate has been 73 percent, and 90 percent of placements were made in jobs for which the individual was trained. We believe this is a commendable record.

In the earlier stages of the program we "skimmed the cream," as it were—training some individuals who were easier to serve. But now as we are plunging into the harder core cases of the unemployed and underemployed—we may have to accept for a time a lower rate of placement success. By harder core I mean persons not only without a job, but who also are severely disadvantaged to receive training to get one. We must assume this risk and cope with it.

TYPICAL TRAINEES

Gross statistics, however useful, do not convey any sense of the human dimension of the program, or its variety and drama. It is difficult in figures to extract a picture of a typical trainee.

The majority of those enrolled in institutional training during 1964 were white, male, high school graduates. In this group the average trainee was the head of a household who was between 25 and 34 years of age, and had at least one person dependent on him for support. He had been unemployed for more than 5 weeks. The training he received prepared him for a job for which he could not otherwise qualify.

There is probably no typical trainee. Forty-one percent of those who have been enrolled under the Manpower Development and Training Act were women. Twenty-nine percent have been nonwhite and of those more than 90 percent were Negro. Forty-five percent had not graduated from high school. This includes 5 percent who had not finished grade school. More than one-third of the enrollees had been unemployed for more than 6 months—three times as many as in the labor force as a whole. Many enrollees had been receiving benefits

from other public agencies. Approximately 20 percent had claimed unemployment insurance and 9 percent had received public assistance prior to their entry into training.

It is immediately apparent that when these persons are removed from welfare rolls and trained for paid employment, they represent a direct saving to the taxpayer. This is important, but at least equally so, are the human values which are conserved. Without the Manpower Development and Training Act most trainees would undoubtedly be subject to continued unemployment, and the human despair and defeat which come from this. Most would have little, if any, opportunity to acquire the new skills necessary to obtain and hold a job.

As a supplementary program, the Congress directed that the work experience programs in title V of the Economic Opportunity Act make maximum use of the training programs offered under the Manpower Development and Training Act.

SERVICE TO YOUTH

The Manpower Development and Training Act has steadily increased its service to youth of age 21 and under. In calendar 1962, 25 percent of the enrollees in institutional projects were in this age category. By the end of 1964, the percentage of youth enrollees 21 years of age or under, increased to 33 percent. In the experimental and demonstration projects, 9 out of 10 persons served were 21 years of age or younger.

We know that youth make up by far the largest percentage of our unemployed. Unless they can be absorbed gainfully into our economic life, they constitute, as Dr. James Bryant Conant has observed, an explosive force in our society.

ADULTS STILL PRIME TARGET

We are mindful that the primary intent of the Manpower Development and Training Act is to serve unemployed heads of families or households. We have been consistent with this intent. For that reason, it is worth noting here that the majority of the trainees in the manpower training programs cannot be served by the Vocational Education Act of 1963, because students in training under the Vocational Education Act receive no training allowances. This is a formidable barrier for the average manpower trainee. Few unemployed heads of household can afford to forgo all actual or potential income for the extended period necessary to obtain training. They have urgent responsibilities to their families. The critical factors in dropouts from training are reasons of personal and family finance. Only the manpower training program meets this situation.

MULTIOCCUPATIONAL PROJECTS

In fiscal 1964, 40 percent of all trainees approved were in multioccupational projects. Such a project is simply the gathering of a group of single projects into one coordinated program. A multioccupational project permits the evaluation of the potential of each trainee for several occupations in which training is to be given. Multioccupational programs enable us to deal with the problems and the needs of the job seeker, instead of only with the need for workers. They make a variety of pretraining services available; aptitude tests of the trainee's skills; assessment of his potential and interests; work tryouts; literacy training; and continuing guidance—in addition to his occupational training.

Such a program may be statewide, as in South Carolina, where more than 30 different courses are dispersed throughout the State and have served more than 5,000 individuals. In eastern Kentucky, a particularly hard-pressed area wherein unemployment is more than double the national average, a wide variety of courses have been conducted by the vocational schools.

A special kind of multioccupational project was carried out in South Bend, Ind., immediately after the closing of the Studebaker plant there. The special character of the project was its emergency nature and the capacity of the manpower development and training administrators to act quickly and effectively. The community of South Bend had been hard hit and hundreds of people were in a state of some anxiety about their economic future. Two weeks after the assembly line closed down, representatives of the Departments of Labor and Health, Education and Welfare, had their first planning conference with State and community education and employment service officials. Within 90 days more than 400 former Studebaker employees were enrolled in 3 types of training courses.

To date, approximately 1,500 trainees have been enrolled in courses in the South Bend project. Dramatic evidence has come to demonstrate demand for newer occupational skills. Nearly several dozen members of a course in computer programing have been hired before completing their courses. These placements have occurred in Detroit, Chicago, Gary, and other towns in a tristate area. Starting salaries have ranged from $5,000 to $7,200. Ford Motor Co. is going to interview the entire balance of the class.

Data-processing trainees have found ready employment.

This experience may be called upon more frequently. The overall leveling off of defense expenditures, shifts in defense procurement due to changes in weapons requirement, and the closing of obsolete military installations can cause more situations similar to South Bend. Defense industry is highly concentrated geographically. Even slight dips in the procurement program may cause severe hardship to workers in some communities where the majority of the labor force has been employed in defense industry. The manpower training program can play a vital role in emergency and sometimes near-disaster situations of worker displacements.

WIDESPREAD ACCEPTANCE

There has been enthusiastic response to the Manpower Development and Training Act. Today there are State agreements with all 50 States and territories of the Union. Nationwide, as of December 31, 1964, more than 5,000 training projects have been approved, and more than 3,000 of them are in operation. The major occupations involved include stenographer-secretary, machine operator, typist, clerk-typist, nurse's aid, automobile mechanic, welder, licensed practical nurse, automobile body repairman, sewing machine operator, and electronics assembler.

Striking breakthroughs have been made in training for new kinds of job openings. In some instances displaced auto workers and textile workers have been trained for subprofessional jobs in the field of mental health. Rapidly developing fields such as health services in general, and opportunities, in State, local, and municipal governments, are leading to training programs for older workers, youth, and minority groups. Altogether, more than 500 different occupational titles have been approved for training.

But I only mean to suggest the scope, not to exhaust the detail of our progress to date in administering the Manpower Development and Training Act. The point to be stressed is that we have a body of experience and the accumulation of verified data that assures us we are on the right road, traveling in the right direction. Manpower development and training works. The programs are helping people in the most self-respecting way people can be helped: by giving them the means to help themselves.

The Manpower Development and Training Act is proving itself. However, in times such as ours—of such rapid and massive changes in the economic order—the act should be modified to keep pace.

The Congress has recognized the need of adjustment before. After little more than a year of experience with the Manpower Development and Training Act of 1962, the Congress enacted amendments in 1963 to the original legislation and wisely extracted the lessons from experience at that time. These included permitting programs for the development of basic education and basic work skills, lowering the minimum age requirement for training from 19 to 17 years; making adjustments in the subsistence and training allowances, and other modifications.

Experience since that time has caused those of us charged with administering the Manpower Development and Training Act to recommend further amendments to carry out its intent and spirit.

It is these proposed amendments that I would like to discuss with you at this time.

It is recommended by the Department of Health, Education, and Welfare that the Manpower Development and Training Act be made permanent.

In recommending an amendment to the Manpower Development and Training Act to make the legislation permanent, it is well to recall section 101 in title I of the original legislation. This is an admirable statement of the reasons for the employment problems of many of our fellow citizens. Section 101 recognizes the dislocations in our economy due to automation, technological development, foreign competition, changes in the structure of the economy, and shifts in market demands. It takes cognizance of the fact that even in periods of

high unemployment, many jobs are unfilled because of a shortage of qualified personnel. This section recognizes likewise the entrance into the labor market of many new young people—the tidal wave, as it has been called, of the postwar birth expansion. There was envisioned an "extraordinarily rapid growth of the labor force in the next decade."

It was only prudent of the Congress, however, to enact its first legislation in the area of manpower development and training for a limited time, and later to give it a 2-year extension until July 1966. The beginning necessarily had to be experimental. The experience on which to base evaluation in 1963 was sufficiently short to make the first extension of the legislation limited.

Meanwhile, what we expected has been confirmed; namely, that the basic economic situation, as it affects manpower, is not of momentary duration. By the end of 1964, we had already sustained the longest period of economic growth in the history of our Republic. In the last 4 years, the gross national product had climbed more than $100 billion. Every economic forecast gives us reason to believe that the surge of productivity and economic growth will continue through 1965. Yet stubbornly persisting along with this economic growth is a factor of unemployment which remains too high. The unemployment factor has come down slowly. Four years ago it was nearly 7 percent of the labor force. It is now approximately 4.8 percent in January 1965. This is progress but to bring this rate down further into tolerable confines will take strenuous effort. The fact is that it is economically possible to have a high rate of productivity, a growing economy, and indeed an affluent society without using all of our manpower. But although this is economically possible, it is morally and humanly repugnant. And in the long run we know that, unless our human capital is conserved and used, the economy and strength of the Nation will be weakened. It would be unrealistic to claim that the Manpower Development and Training Act has been solely or even mainly responsible for the progress we have made in combating our high rate of unemployment. It is only one of the tools which the Congress has provided. It has however, become a necessary and valuable tool.

The most expert opinion does not care to predict what the net result of automation and technology will be on the structure of our economy, our way of life, our habits of work, or our requirements for work. One hears both dire predictions and utopian descriptions but both are speculative. We can only be sure that we cannot turn our backs on the radical demand for greater job skills, nor can we harden our hearts to the needs of people for gainful employment.

Millions of our fellow citizens have never been educated or trained for the kinds of jobs a new economic order can provide. Other millions have had once-useful jobs, which the economy no longer needs. The fact now emerges that in the future the average person may have to be prepared to change his economic career several times in a lifetime. In any case, it is mandatory now and for the foreseeable future that we give people the equipment through training, to permit them to contribute to society and to themselves. The manpower training program is a challenge to the American ideal of equal opportunity. It is a challenge to our goals of individual independence and self-reliance.

The basic problems we must meet are not short range and, therefore, the solutions to them cannot be short range either. At an immediately practical level the impermanence of the manpower development and training legislation has made it difficult for the States to plan their roles in implementing it. With present authority terminating in 1966, the States are understandably reluctant to appropriate the funds to match the Federal share of training costs and allowances.

The financial barrier to planning might be moderated somewhat if another proposed amendment to reduce the amount of the State's contribution is enacted. Even so, however, there are sound practical and psychological reasons for a permanent commitment in the law to meet the long-term duration of the problems.

The manpower training program fills a void in the total vocational education structure. The Vocational Education Act of 1963 is a permanent piece of legislation. The manpower training program should match it if an old vacuum is not to reemerge.

After two and a half years of experience under the Manpower Developing and Training Act, strong relationships have been developed between vocational educators and employment service representatives. Teachers have been hired and trained. These teachers are now quite expert in the complex business of training adults, and in the equally complex business of training undereducated youth with

special problems. The labor force orientation of the act—the insistence that training be related to actual job openings in the community—has had noticeable effect on regular vocational education programs. Dozens of new programs have been added to their regular offerings and they are kept alert to continuing developments in new job categories. All these gains would be lost if the manpower training program were allowed to terminate or if it were given any suggestion of less than the firmest support.

Our main emphasis, however, is that the problems which the Manpower Development and Training Act was designed to solve, are not temporary problems. The act indeed was not conceived as a crash program. The act should be made permanent as an evidence of our commitment to the maximum development of the manpower of the Nation.

It is recommended by the Department of Health, Education, and Welfare that the maximum training period be increased to 104 weeks.

The present statutory limitation on the maximum duration of services in a manpower training program is 52 weeks for the occupational training part of the program. Where basic education and basic work skills must also be provided, the law permits another 20 weeks of training for a maximum of 72 weeks of training. The average planned length of current projects is 36 weeks. This is an increase of 4 weeks over the 1963 average but we are remaining well within the statutory limitations. However, there are some programs for the extremely disadvantaged which we should be doing, but are not, because they cannot be carried out in a 72-week program. We do not desire to lengthen all programs. We are requesting a flexibility to extend some programs up to 104 weeks.

There are two principal reasons for having this flexiblity: Persons with little education require more time in training. Secondly, some of the new kinds of job opportunities, which are being created, take longer instruction time.

Nearly 20 percent of all unemployed persons have less than 8 years of schooling. However, only 5 percent of the manpower training enrollees have less than an eighth-grade education. An increase in the length of training weeks would permit an increase in the number of persons with additional educational deficiencies who could be referred to training.

Just as some individuals present special problems in training, some new kinds of job opportunities are presenting special demands for skill. Our placement data tell us that graduates of the more highly skilled occupational training programs are readily placed in employment. Manpower projections indicate that this trend is going to increase. Even now we can anticipate the time when there will be few places in the world of work for unskilled persons. New jobs are being created, but only for skills of an increasingly higher order. Many of these more skilled job opportunities are now automatically excluded from consideration for possible training by the fact that successful preparation is not possible in 52 weeks. We are particularly aware that the manpower development and training program is not yielding enough workers who are prepared for scientific and technical fields which are vital to our continued economic growth. Training, however, in many of the electronic, mechanical, and health fields must extend beyond the present 1-year allowance limit. As we face up to labor force requirements and to demands of employers, we must give more training in certain fields.

It is not anticipated that the average training program will increase sharply with an extension of the statutory limitation on training time. It is urged that the provision of greater flexibility for a training program will encourage the development of services and programs necessary for the most disadvantaged of our fellow citizens. And it will also enable us to move forward to meet the new possibilities for higher skilled employment which our rapidly developing technology is creating.

An amendment to permit a training program to carry on for 104 weeks, necessarily entails an amendment in the provision for those eligible for training allowances to accommodate this extension.

It is recommended by the Department of Health, Education, and Welfare that matching for training allowances and institutional training programs provided by the Department, be continued on a 90–10 basis after July 1, 1965, and that non-Federal contributions be in cash or kind.

Under the current Manpower Development and Training Act legislation, the States, beginning with fiscal year 1965, are to pay for one-third of the cost of the programs, and following that year, are to pay one-half. There is impressive evidence however, that a number of State legislatures will not authorize matching funds at these ratios beginning July 1965.

A resolution adopted unanimously during an October 1964 conference of southern Governors, calls for a continued 100 percent financing by the Federal Government of manpower training projects. A similar resolution was also adopted in October 1964 at a meeting of the senior officials of all State employment security agencies.

It is a fact that the States have exerted strenuous effort in recent years to meet the needs of their people. The States and municipalities have borne the brunt to date of coping with the knowledge explosion and the population explosion in our Nation. Sixty-nine million persons have been born in the United States since 1949. We have had a net increase in population equal to the present population of Great Britain. The States and municipalities have stretched themselves to the utmost to provide the new facilities and public services that this population growth has required. Since most of this population is still in school, State and local governments have expended large resources for new schools, teachers, and educational equipment. Their gross effort in the last 19 years is startling: State-local bonded indebtedness since 1946 has increased more than 400 percent. Per capita State-local taxes have jumped more than 213 percent. This is many times the expansion of the Federal Government in these categories during the same period. This great effort has been made in spite of the inherent limitations in the taxing ability of the States and local units of government, and therefore in their sources of revenue with which to meet these new obligations.

States that have been hardest hit with problems of economic dislocation of workers, and who suffer a high unemployment rate or who have a greater problem with basic poverty, are caught in a vicious circle. They need more assistance than do other States. Yet their very condition reduces their financial resources with which to buy that help.

The Economic Opportunity Act of 1964, and the Area Redevelopment Act provide Federal training funds on a 90–10 and a 100 percent basis respectively. It seems unrealistic to expect the States to provide a higher ratio of matching funds under the Manpower Development and Training Act, to continue the essential training needed for thousands of unemployed workers.

It is recommended by the Department of Health, Education, and Welfare, that the occupational training provisions of the Area Redevelopment Act be carried out by the Secretaries of Labor and Health, Education, and Welfare according to the Manpower Development and Training Act in cooperation with the Secretary of Commerce. Training programs carried out in areas designated as redevelopment areas under the Area Redevelopment Act will carry full Federal financing.

The Manpower Development and Training Act provides more diversified opportunities in occupational training than the provisions of the Area Redevelopment Act. The authorizations of the latter are more limited in nature and in scope.

It is becoming increasingly important also to incorporate the area redevelopment training projects into comprehensive State planning for manpower development. The recommendation that the Manpower Development and Training Act absorb the training provisions of the Area Redevelopment Act would facilitate the accomplishment of this planning.

It is recommended by the Department of Health, Education, and Welfare that the Manpower Development and Training Act be amended to include a more significant role for experiment and demonstration and that the Secretary of Health, Education, and Welfare be involved in research projects in institutional training and the institutional training aspect, itself, of this important activity as set out in the proposed section 102(6).

The Department of Health, Education, and Welfare is prepared to assume the administration of an expanded role for, and greater flexibility in research, experimental, and demonstration projects. The Department is in accord with the House Report 861 of October 19, 1963, of the House Committee on Education and Labor (sec. H. p. 20) that there are "unique and critically important contributions made to the program by these projects," and which charges the Department of Health, Education, and Welfare to "develop more fully than it has, its participation in this research."

Research, experiment, and demonstration are indispensable adjuncts to an effective program of manpower training. The resources of all public and private agencies that can contribute innovations to the total training effort must be sought out and used on a broad and continuing basis. The Department of Health, Education, and Welfare is vitally interested in new and different approaches to institutional occupational training.

New training methods have already been achieved as a result of imagination and ingenuity. For example, here in the District of Columbia, private business has developed unique training methods to prepare persons, even without a high school education, in a relatively short time for certain data processing jobs. The Bedford-Stuyvesant project in New York is achieving significant success in using programed instruction in the training programs. Other projects have made notable progress in teaching techniques and curriculum development to communicate basic education to culturally deprived individuals, and thus have broken through barriers to motivation and to learning new skills. This is highly important, for more than 90 percent of the persons being served in experimental and demonstration projects are youth. These include a large number of school dropouts, and otherwise alienated or socially maladjusted persons.

Despite the inventiveness and promise of these projects and others which have developed elsewhere, they are limited in scope. We believe that, with authority, the Department of Health, Education, and Welfare will take greater initiative and have more means with which to pioneer in these areas of experiment and demonstration. To this end the appropriations should be increased so that greater effort can in fact be put into the research, experimental, and demonstration projects.

Experiment is vitally needed to provide special training programs for those workers who are now being displaced by automation and technological change.

It is important likewise to have continuing research into the training effectiveness of programs we have instituted. We should know why some individuals drop out of our programs. We should measure their level of skill achievement by acceptable standards, and be alert to all problems of keeping training up to the shifting job requirements in the rapidly changing work patterns of our economy.

The Institute for Social Research of the University of Michigan is conducting a national attitude survey of Manpower Development and Training Act trainees, for the Department of Health, Education, and Welfare. The institute is also conducting another study, an outgrowth of the attitude survey, on the Chicago JOBS project. Partial results of the attitude survey will be available in time for the Secretary's manpower training report to the Congress. Statistical analyses are being made currently on the Chicago JOBS project.

Chicago JOBS was designed to take unemployed (and at the time selected, unemployable) youth and transform them into productive, working young men and women. They came from deprived environments. Of the approximately 1,500 enrolled in the 1st year, and more than 1,800 in the 2d, the average trainee had dropped out of school in the 10th grade, had a 6th-grade reading level, and a 5th-grade arithmetic level. In 6 months of training the first trainees made a 2-year grade level advance in reading and mathematical skills. They were severely disadvantaged By means of basic education, vocational education, and counseling, Chicago JOBS has had marked success in moving these youth from apathy and alienation to an atmosphere of opportunity and freedom.

Chicago JOBS is a particularly valuable project and the kind of continuous program evaluation research we are doing there is necessary in other projects if we are to achieved and maintain a high degree of efficiency in serving the needs of manpower training in the most difficult cases.

The Department of Health, Education, and Welfare concurs in the other amendments to the Manpower Development and Training Act now pending before the subcommittee and as recommended by the administration. They are not discussed in this statement since they were fully covered by the Secretary of Labor in his testimony yesterday and, more appropriately, covered by the Labor Department testimony. We are in agreement, however, that they are necessary if the intent of the act is to be fully carried out.

SUMMARY

Cumulative totals

Over 5,000 Manpower Development and Training Act training projects approved for more than 305,000 trainees in all 54 States and territories, costing $190.5 million in Federal funds for institutional occupational training on an average of $624 per trainee ($606 average allowance cost or a total average cost of $1,230).

Fiscal 1965 more than 1,900 projects approved as of January 20, 1965, for over 134,000 trainees at a cost of $81.8 million for institutional training.

10 States in number of approved trainees—California, New York, Illinois, Pennsylvania, Michigan, Ohio, Massachusetts, Connecticut, Missouri, and Kentucky (constitutes over 50 percent of all trainees).

$376,165,441 total all Federal costs (D/HEW/D/L).

182,000 trainees enrolled (estimate).

85,000 trainees completed (estimate).

62,050 trainees placed (estimate).

73 percent of completing trainees placed (females, 66 percent; males, 75 percent).

Graduates of skilled and service occupational training easiest to place.

Trend shows projects being developed to provide more comprehensive services, basic education, guidance, and counseling, causing length of project to increase.

Matching requirement and nonavailability of funds has reduced program level considerably.

Persons served

	Total	Fiscal year 1965	Fiscal year 1964	Fiscal year 1963
Trainees approved	305,441	134,096	114,281	57,064
Trainees enrolled	182,000	81,000	68,000	33,000
Trainees completed	85,000	34,500	41,400	9,100
Trainees placed	62,050	25,185	30,222	6,643

Characteristics

3 of 5 trainees are male.

29 percent are nonwhite.

45 percent have not completed high school (includes 5 percent who have not completed grade school).

22 to 34 age group largest (38 percent).

56 percent are heads of household.

33 percent unemployed over 6 months.

66 percent eligible to receive training allowances.

Most trainees had 3 to 9 years employment prior to being unemployed.

8 percent received public assistance prior to being referred to training.

7 percent were paid subsistence and transportation because they lived beyond commuting distance.

Kinds of training

Over 500 occupational titles.

Leading occupation training areas:

Stenographer-secretary
Machine tool operator
Nurse aid-orderly
Practical nurse
Typist-clerk typist
Automobile mechanic
Welder

Examples of different kinds of training:

Precision lens grinder
Photolithographer
Geriatrics nursing assistant
Embalmer
Computer programer
Highway technician
Cafeteria manager
Surgical technician
Engineering aid
Engineering equipment mechanic

Approximately 50,000 trainees receiving basic education.

In 1964 fiscal year, over 75 multiple-occupational projects accounted for 40 percent of trainees approved.

The average trainee receives 1,200 hours of instruction.

Nearly all multiple-occupational projects provide vocational guidance and counseling services for trainees while in training.

Average length of training has increased from 21 to 36 weeks.

Training facilities

Most of the training is being provided in public secondary schools with nearly 10 percent in area vocational-technical schools.

Over 8,000 trainees received training in 27 States through some 80 private schools.

Approximately 2 percent of completed Department of Health, Education, and Welfare project costs were used to rent nonpublic facilities.

Several large multioccupational projects were housed in deactivated military bases—examples: Camp Atterbury, Ind., Camp Roberts, Calif., Youngstown Air Force Base, Ohio, Ottumwa Naval Air Station, Iowa.

Cost factors

	Total	Fiscal year 1965	Fiscal year 1964	Fiscal year 1963
Department of Health, Education, and Welfare	$190,546	81,832	78,455	30,259
Department of Labor costs	185,046	92,592	69,677	22,777
Total	376,165	174,676	148,356	53,135

Appropriated funds divided by use (institutional): 49.4 percent Department of Labor; 50.6 percent Department of Health, Education, and Welfare.

Sixty-two percent vocational training costs cover salaries of instructors (6 percent supervisory services and supplies).

Twenty-five percent Department of Health, Education, and Welfare funds expended for capital outlay.

Department of Health, Education, and Welfare cost per trainee has varied by occupation, trainee needs, capital outlay required, etc. Average cost is estimated for fiscal year 1963, $530; fiscal year 1964, $688; and fiscal year 1965, $610.

Mr. NESTINGEN. The manpower and development program, just by way of a brief history, was adopted, of course, in 1962, and it has been really heart warming for me and heart warming for our staff to see the way it has been implemented in these last two and a half years. It was amended in 1963 as we developed the program and saw the need for some amendments, and recognized that we had to improve it in a number of respects.

Subsequent to those amendments, we have been able to develop a much more successful program.

Progress has been really very good under the act. We have certified for training in excess of 300,000 unemployed people, and the results have been excellent in the sense of placement of those people, with approximately 75 percent of those people being placed in training-related types of employment.

There has been a certain amount of discussion about the manpower development training program, and expression of concern for young people because of the high unemployment rate for young people. This is an understandable concern. One of the primary purposes of the act, though, when it was adopted in 1962, was to take into account the needs of heads of households.

We have authorized, and there is authorized under the current legislation, up to 25 percent of the trainees being unemployed youth, and actually, the experience has shown by the end of December 1964, that about 33 percent of the trainees have been youth. I want to raise this caution and keep in perspective, however, what the primary purpose of the act was when it was originally adopted: It was that of furnishing an opportunity for employment for heads of households under this legislation.

My own feeling in this respect is that our Department and my staff—I want to urge caution that we keep this in mind.

We do have the recognition of youth opportunity but with the President's program under the Poverty Act furnishing opportunity for youth, we can direct our attention as far as youth is concerned

more under that act than under the manpower development and training legislation.

One development in this past year and a half which has been very noteworthy and worthwhile has been the encouragement on the part of our staff, and with the cooperation on the part of a number of States, in the development of multioccupational projects. We announced the first one, as I recall, in Kentucky, for the eastern counties of Kentucky, in December of 1963, when Governor Breathitt announced a large program involving several thousand employees, but since that time, we have developed multioccupational projects in several States.

North and South Carolina are notable illustrations.

But, during 1964, some 40 percent of the trainees that have been enrolled or certified for enrollment, are involved in multioccupational projects and they are proving, I think, to be quite successful and worthwhile as a way of helping to cope with the unemployment problem in the particular States.

We are able to furnish a variety of training within this type of development, and we are better able to ascertain where some of these trainees are better suited and in what types of occupations, for example, before they definitely are committed to a course of training.

There has been a good bit of success with this, and I think it merits particular comment. In general, as Secretary Wirtz indicated yesterday, and as we certainly have found it to be true ourselves, there is very wide acceptance of the manpower development program throughout the country, but there is some concern, and there is need for consideration of the amendments that are pending before this subcommittee now.

I would like to comment briefly with respect to some of those amendments. The first amendment on which I would like to make comment is the proposal to make the act a permanent act. When we initiated this program, it was somewhat experimental in nature. We have seen it work in other countries with some degree of success but it was still experimental as far as our economy was concerned. We then extended it for 2 years, with the amendments of 1963, and the successful implementation of the program is well established with the experience that we have had in approximately two and a half years. It is necessary now to make the act, in our judgment, a permanent act. It has proven successful. We have an economy which is really a thriving and a very good economy in the sense of earning capability of the labor force across the country, but accompanying that there is an unemployment rate which is somewhat unsettling.

One of the ways in which we can continue to try to tackle the unemployment problem is with the manpower development and training program. There is no point in deceiving ourselves on whether or not this is the only way of remedying the unemployment problem, but it certainly is a very important one. As we are able to expand upon the manpower and development training program, it can increase in importance.

To help furnish the opportunity for better planning and for more stability, it is necessary to make the legislation permanent, in order that local officials across the country in cooperation with State officials and State educational agencies are able to plan accordingly.

I have encountered criticism to a point that I think it is of some concern from State officials who feel that the impermanence of the present situation hinders their own financial planning, and it hinders their own opportunities for developing a good program within their respective States.

In fairness to them, and in recognition of the success that we have realized to date, it is necessary at this time to make the act a permanent piece of legislation.

In addition, I might point out that we have, during the development of these various programs, trained a good staff both in the teaching and administrative sense of the word throughout the country, and there has been the acquisition or the furnishing of equipment. States continue to put the staff to use as well as the equipment that has been obtained under the program so far.

This use lends a certain amount of additional argument in favor of making the act permanent; but most important, it is the assistance that the act gives on the unemployment problem, that argues for permanent legislation.

The second amendment on which I would like to make a brief comment is the lengthening of the eligibility of the training period. Today, you have an opportunity for training of up to 72 weeks, from the standpoint of training allowances being authorized.

The proposal is to increase that to 104 weeks. You might be interested in what our average course length is today. The average length of the course per trainee is, and for the past year has been, about 36 weeks. It might seem somewhat surprising that we would ask for 104 weeks' authorization when 36 weeks is our current average. Incidentally, that compares to 21 weeks of the preceding year as an approximate figure for the average length of the training course.

Our point in asking for this amendment, though, despite the fact that 36 weeks is obviously considerably less than the maximum that we are asking for, is to permit flexibility in this program. One of the considerations which is most important in developing programs of this nature is the flexibility of the authorization, within which you have to operate.

We have about a 20-percent factor of the work force which has less than an eighth grade education, but only 5 percent of the trainees under the manpower development training program, to date, have less than an eighth grade education. If we are to tackle in the way in which we should this group with a limited amount of formal education, a longer course or longer authorization for training period must be available to us for a number of these people.

The second major reason why we want this flexibility is that as you would know very well, the increasing skills that are required in this day of automation and technology require authorization at the beginning of the training course for a longer training period for a number of people who might be talented and have higher skills. Consequently, this flexibility in our judgment is well advised, in order to make the program a more successful one.

The third amendment we very strongly support is the 90-to-10 ratio for matching of funds, with the 10 percent from the non-Federal source being either in cash or in kind. I have had the good fortune of serving at the municipal level of government and at the State level

of government, and now I am fortunate to hold the position that I do in the Federal Government. One matter that has been of considerable interest during the course of this tenure of service has been to see the very decided strain on municipal budgets, and on State budgets, and the difficulty of obtaining money for financing of rapidly expanding programs in a population that is expanding so very rapidly.

As we all know, the more limited resources, as far as capability of taxation is concerned, is correspondingly with State and local government, and it is absolutely essential that we change this ratio of two-thirds and one-third, effective July 1965, to the 90-to-10 ratio at the very least. I might say it is essential if this program is to continue.

Today, we are hearing expressions of concern throughout the country from State officials on their ability to participate. I know your committee is being furnished with information on what action has been taken by State governments to date by the Department of Labor, and what might be anticipated as a possibility. I will leave my remarks at that except to indicate, if you are not aware of it, that the Southern Governors Conference in October of this past year adopted a resolution, with 17 States represented, calling for extension of the full Federal financing under this program, and not even the 90-to-10 basis, as far as the local share is concerned.

The fourth amendment on which I would like to make brief comment is to bring the Area Redevelopment Act training program within the Manpower Development and Training Act operation, and say only that we have much greater flexibility under the Manpower Development and Training Act, and that we can better administer the Area Redevelopment Act training provisions and training programs through the Manpower Development and Training Act device and mechanism.

Of course, we recommend keeping the Area Redevelopment Act training programs on the 100 percent Federal financing basis.

The final amendment on which I would like to make comment is certainly of tremendous importance as well, and that is on the role of the Department of Health, Education, and Welfare in research involving experimental and demonstration projects, as the research pertains to the institutional training within those projects.

Our very strong desire is to be involved in the administration and in the development of these projects, and in the experimental and demonstration field when institutional training is involved.

Secondly, there is the desire and feeling of need for an increased appropriation in this area. We have the very decided feeling that a greater ability on our part to participate in experimental and demonstration projects and in research can be very helpful in improving our own efforts in assisting the development of projects across the country.

I would like to call your attention to two things in particular, that we are doing in this regard at the moment which, I think, will be of considerable interest. We have a contract with the University of Michigan to do research on the attitudes of trainees. Also we have a really quite interesting project known as the JOBS project in Chicago, involving particularly and severely handicapped young people, ages 19 to 21, with about 90 percent nonwhite students.

Mr. Chairman, there are other amendments that have been proposed. Commentary on these have been furnished by the Department of Labor and more appropriately so than by ourselves, but we certainly concur in those amendments.

This sums up in brief our position and feeling with regard to these amendments, and subject to such additional information as you might desire, I would like to leave my comments on that basis.

Mr. O'HARA. Thank you, Mr. Secretary. Your well-placed emphasis on the relevance of this program to the problems of older workers adjusting to a changing technology certainly is in line with the original thought behind this bill. Unless the members of this subcommittee have changed their views quite a bit since our discussions in 1962 and 1963, I do not believe this committee would be inclined to amend the act so as to remove the emphasis on the requirements of older workers.

I think your point is very well taken. I do not, however, see any objection to the proposed amendment to give some administrative leeway and flexibility in imposing that provision.

Mr. NESTINGEN. No, I think the administrative leeway is very helpful to us and I don't object to that at all.

Mr. O'HARA. The proposal to increase the maximum training program to 104 weeks is one that I am sure will interest the members of the subcommittee. I know you recall that in the 1963 amendments we did make some provision for lengthening the period for trainees who were receiving basic educational training in addition to skilled training, but not to a maximum of 104 weeks.

But as I understood your testimony here this morning, you have found the 1963 amendments to be inadequate for two reasons: One, because in some cases the combination of basic educational and skilled training may take longer than the present maximum period authorized, and secondly, because the more complex skills that need to be acquired by workers in today's economy, with or without basic educational training, may take longer than the maximum 52-week period permitted without educational training or the 52 plus 20 permitted with educational training. Is that correct?

Mr. NESTINGEN. For both reasons yes.

Mr. O'HARA. I wonder if it would be possible for you or your colleagues to enlighten us by giving an example or two of some of the kinds of things that you have in mind.

Mr. NESTINGEN. Some specific types of courses, you mean? For example, we cannot provide certain training, as far as length of course is concerned, in the engineering field, and in some of the subprofessional specialties in the technical fields, such as automatic data processing, medical personnel and computer fields. We have had some training in these areas—but we have a 52-week limit. We feel it well advised that training period be increased so that we will have greater flexibility to provide the needed training.

Mr. O'HARA. I can certainly appreciate that fact. In the health field, for instance, one of the projects we have had in Michigan has been a practical nurse's training program. This runs for a period of 52 weeks, the absolute maximum permitted under the law. As these people are not receiving basic educational training in addition to skill training, I am certain there are other health skills where there are

shortages of personnel for which people who have the necessary educational background to fill those positions are available, but where the training period must be longer than 52 weeks.

Mr. NESTINGEN. If you would like, Mr. Chairman, I would ask Mr. Dugger to illustrate the length of course that they might want to get into in some more specific instances than I have given you.

Mr. O'HARA. Mr. Dugger, if you could do so, I am sure the subcommittee would appreciate it.

Mr. DUGGER. Mr. Chairman, in connection with the matter of training in the highly skilled technical areas, it has been found that many of the programs need to extend into approximately 2 years in length. This is particularly true in the areas of electronics technology, drafting and design, industrial chemistry, and other similar highly skilled technical areas where employment opportunities are very good at the present time.

I might add this, if I could, that in many of these highly skilled technical areas the wage rate or the salary provisions are much better than at some of the other lower skilled jobs. When we are thinking of retraining an older worker, that is, a worker who has had considerable experience in the labor force, for a new job, it is very helpful if we are able to put him into a program where, when he exits therefrom, he will make a salary or wage at least comparable to that that he is being automated away from, which he acquired through long years of experience but which is no longer a current job need.

So, we feel the provision that would enable us to get into some of the higher skilled areas, by lengthening the training period, would certainly be helpful.

If I might beg the indulgence of the committee just to read a letter that I received, dated August 29, 1964, in this regard, I would like to do so. This letter is to me, as Director of the manpower development training program, in the Office of Education:

This is an overdue appreciation letter to you and to the people to whom my husband and I feel indebted for making dreams come true through the manpower training and development program.

My husband, Gene Jones, completed 2 years in electronics technology at Oklahoma State University Technical Institute, in Oklahoma City, Okla. We have only praise for the people at the technical institute. All were more than helpful. The instructors are excellent. More education was a must for my husband, but so far out of reach that we felt it hopeless to keep thinking something would come along and help us and our children, 13, 12, and 8 years old.

The manpower training and development program gave us the help we needed. With the help of the Government, 1 year was completed. We knew there must be a way for us to finish another year. On May 24, 1964, Gene received his associate of science degree from Oklahoma State University Technical Institute.

The children are 15, 14, and 10 years of age now, and all have been wonderful through the schooling of their dad. Sandia Corp. now has completed the dream you started. Please accept our thanks and appreciation. Sincerely, Mrs. Gene A. Jones, 1801 Dakota, Northeast, Albuquerque, N. Mex.

Just to explain a bit about how this letter came about, which is an illustration of several cases that could be brought to mind, I happened to be in Oklahoma City in the early days of the Manpower Development and Training Act and met a woman whose husband was about to be laid off from work. I also learned their apprehension about this matter and something of their dreams.

So, as a result of this, we got her and her husband acquainted with the people in Oklahoma City, who were conducting the manpower

development and training program. Her husband completed the year and got a part-time job, or more accurately, he first got a full-time job and went to school part time and later he held a part-time job as he completed his last year on his own.

In this case, he was successful, because he was able to find employment and an opportunity to go to school part time, and vice versa, until he completed his work. But it seems to us, and in fact, we have several instances of this called to our attention, where it is just impossible for the person to be successful without continued help for the period of time required to become an engineering-type technician.

So, this really is the basis for our judgment. This is an illustration of the kind of thing that we feel would occur much more directly if we had this opportunity to extend training programs for those that are certainly in the upper ability group, but who may be suffering from the scourge of unemployment because of lack of opportunity in the past.

Mr. O'Hara. I am very pleased to hear that example. In my opinion, it is wrong to think that this program is designed to impart minimal skills entirely for the purpose of training custodial employees and short-order cooks. Our economy has a tremendous need for technically trained people.

There are many people in the United States who have the necessary abilities and aptitudes to benefit from technical training. And we have many people who are facing a difficult employment situation because their present skills are being made obsolete by technological development. However, because of their family responsibilities they cannot drop everything and go back to school without some sort of help and counseling.

I would certainly hope that this program could be adapted to meet those needs, as well as the needs of those who wouldn't qualify for such a thing.

I am also encouraged by the Secretary's comments on research and the experimental development aspects of this program. I wonder if you believe, Mr. Secretary, as I do, that if one were to identify the greatest single need in the field of manpower development, it would be the need for more understanding of how the labor market works, understanding the impact of technology, and determining what the future holds in terms of skills and jobs.

Mr. Nestingen. I can only reply to it this way, that the field is unlimited, and we have such tremendously rapidly changing circumstances in a number of respects in the development of this country.

In the work force picture, the need for experiment, demonstration, and research, involving curriculum, and methods of teaching, and attitudes of the trainees, problems arising in the counseling and guidance field—the range is unlimited as far as possibilities for imaginative development are concerned, and the need is tremendous.

We, under the law at the present time, are somewhat limited in what we can do in our Department. A greater flexibility in the law will give us the opportunity for much greater initiative, and I can assure you if we have the authority, we will furnish the initiative.

Mr. O'Hara. Mr. Secretary, I am encouraged to hear that. I think your testimony has certainly been appropriate.

We have had some experimental development of new curriculums and heavy inputs of counseling in some programs. These are things which make this program quite different from the standard school situation.

I wonder if to date you have been able to see some results from the relatively small amount of demonstration experiment and research that we have had in terms of let us say, dropout rates of trainees.

How has the rate of dropouts been in this program, and how do they compare to dropout rates in regular school and educational programs?

Mr. NESTINGEN. I was really quite surprised to learn yesterday, that while the placement rate is about 73 percent in the manpower program, the dropout rate is about 25 percent. The dropout rate in the country in secondary school systems is about 30 percent. By way of comparison, the holding power of the manpower program is better. On this question of attitudes though, involving trainees, we have a very interesting study taking place right now that I mentioned, by the University of Michigan, and the partial results will be due very shortly, and will be available for the Secretary's report to Congress this spring.

It will be another year or so before the final results will be in, but it is going to be a very significant report.

Mr. O'HARA. I have been greatly encouraged by some of the specific experimental projects that you have had.

For instance, there is a special youth project in Detroit which has been operating on an experimental and demonstration basis. The other day I had occasion to check on the progress of that project, and I discovered that the dropout rate of trainees for adverse reasons in that the Manpower Development and Training Act special youth program was less than 2 percent.

In addition, I am told that placement of those who have finished the program and left the program has been in the neighborhood of 93 percent. I think this demonstrates what can be accomplished by trying to fit your program to the particular needs of the group you are serving.

I would like to see more of this experimental demonstration work. Through it I think we can learn a great deal that is appropriate and applicable, not only to the manpower program, but to the entire effort we are making, particularly with young people.

Do you have any questions, Mr. Hathaway?

Mr. HATHAWAY. Mr. Secretary, I have just one question. In line with the chairman's initial question in regard to the caution you expressed that the purpose of the act was to train older employees, do you feel that the 25-percent restriction in section 203(c)(3) is sufficient to bring about that result?

Mr. NESTINGEN. Mr. Hathaway, I think it is in good balance with this kind of language, and the amending proposal to permit some administrative judgment on it is very helpful to us if this amendment is adopted. But it is in good balance.

What provoked my comment was not that I am concerned that there is a strong attitude, or a prevailing attitude, that is dictating an appreciable upward swing in the ratio, so much as I wanted to emphasize the original intent of the act: to help the heads of households by way of furnishing better and more opportunity to them.

I did not mean to imply that there was something afoot, so to speak, that would alter in any appreciable sense the current situation.

Mr. HATHAWAY. Thank you very much. Thank you, also, for your excellent written and oral presentation. We appreciate it very much.

Mr. O'HARA. Thank you very much, Mr. Secretary. I want to apologize that there are not more committee members present, and explain that a number of this subcommittee's members also serve on the two education subcommittees which are working morning, afternoon, and evening on the bills sent over by your Department a few weeks ago.

They are working on the elementary and secondary bill, and they are now in executive session marking up that bill. I think those members of the subcommittee who felt that their first duty was to take part in that marking up certainly could be excused for their absence today.

Mr. Hathaway and I will be sure to proselytize them, and inculcate your views.

Mr. NESTINGEN. Certainly, I am appreciative that I have been able to make this appearance. The absence of some members is more than understandable, and the only thing we ask is that the Department of HEW get all of its legislative requests.

Mr. O'HARA. We will see what we can do about that.

Thank you very much.

(The following communications were received from Under Secretary Nestingen:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,

February 5, 1965.

HON. JAMES G. O'HARA,
Acting Chairman, Select Subcommittee on Labor of the Committee on Education and Labor, Rayburn House Office Building, Washington, D.C.

DEAR MR. O'HARA: During my testimony on the proposed amendments to the Manpower Development and Training Act today, I made reference to the action of the southern Governors at their conference in San Antonio in October when they adopted a resolution calling for the Manpower Development and Training Act program to be continued as a 100-percent federally financed program. A copy of that resolution is enclosed in the event you are interested in it and would desire to make it a part of the hearings record.

With my best wishes,

Sincerely,

IVAN A. NESTINGEN.

RESOLUTION NO. XI—MANPOWER DEVELOPMENT AND TRAINING ACT

Southern Governors' Conference, 30th annual meeting, San Antonio, Tex., October 14, 1964

Whereas the Manpower Development and Training Act has been widely implemented in the several States of the Southern Governors' Conference; and

Whereas the type of basic and vocational training made possible by that act is extremely helpful to the economic and educational progress among the several States; and

Whereas State revenues for educational purposes are at a premium in all the Southern States: Now, therefore, be it

Resolved, That the Southern Governors' Conference, meeting in San Antonio, Tex., October 14, 1964, respectfully petitions Congress and the President that the matching funds provisions of the Manpower Development and Training Act, presently due to become effective July 1, 1965, be postponed until substantial progress has been made in the States of the region in reducing the vast reservoir

of uneducated and untrained persons inherited from past generations; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States and to each Member of the Congress.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., February 18, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Select Subcommittee on Labor,
House of Representatives,
Washington, D.C.

DEAR MR. HOLLAND: Enclosed, please find the information you requested on the status of trainees in institutional training programs under Manpower Development and Training Act, who have not graduated.

It was a privilege to appear before the committee and I shall be pleased to be of such further service as you desire.

Sincerely,

IVAN NESTINGEN,
Under Secretary.

Detail of status of trainees in institutional training only under MDTA

Total number of trainees approved for training	305,000
Number of trainees who have completed training and graduated	85,000
Number of trainees currently enrolled in courses	115,000
Number of trainees who have dropped out [1]	44,000
Number of trainees approved, but not yet entered training as of Feb. 5, 1965	61,000

[1] The dropout figure is an estimate. It will never be more than an approximation, because a number of dropouts occur in the 1st week or so of training. Perhaps they should not be considered as even having enrolled, but they are so counted and "dropped." In various programs, however, such early dropouts are quickly replaced by others, who, however, are not added to the total number of trainees in a course.

It might be noted further on the dropouts, that in many cases, these occur close to the end of a course, where the trainee has acquired enough skill to get a training related job, and hastens to do so for financial benefit to himself. Financial reasons are the prime ones for dropping out, and of all dropouts surveyed, a majority respond that the training they received helped them.

Mr. O'HARA. The Subcommittee of Labor, of the House Committee on Education and Labor, stands in recess until 10 a.m., Tuesday, in room 304, of the House Office Building, at which time we hope to hear testimony from the American Vocational Association, and others, regarding these bills. If, however, the full committee is meeting in executive session on the elementary and secondary education bill, the hearings will be rescheduled and notice thereof will be placed in the Congressional Record.

Thank you.

(Whereupon, at 10:45 a.m., the subcommittee recessed, to reconvene Tuesday, February 9, 1965, at 10 a.m.)

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

TUESDAY, FEBRUARY 9, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10:15 a.m., pursuant to recess, in room 304, Cannon Building, Hon. James G. O'Hara, presiding.

Present: Representatives O'Hara, Daniels, Hathaway, Ashbrook, Quie, and Reid.

Staff members present: Dr. R. E. L. Knight, director of the subcommittee; and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. Good morning, ladies and gentlemen.

The Select Subcommittee on Labor of the Committee on Education and Labor will please come to order.

Today we are resuming hearings begun last week on H.R. 4257 and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962, as amended.

In addition, without objection, we will consider H.R. 4270, a bill introduced by the gentleman from Kentucky, Mr. Perkins, to amend the Manpower Development Training Act of 1962, to remove therefrom the requirements for State matching funds.

(The bill is as follows:)

[H.R. 4270, 89th Cong., 1st sess.]

A BILL To amend the Manpower Development and Training Act of 1962 to remove therefrom the requirements for State matching funds

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 203 of the Manpower Development and Training Act of 1962 is repealed.

Sec. 2. Section 203(h)(2) of such Act is amended by striking out "prior to July 1, 1965, for 66⅔ per centum of the amount of such benefits paid during the fiscal year ending June 30, 1966, and 50 per centum of the amount of such benefits paid thereafter".

Sec. 3. Section 231 of such Act is amended by striking out the third sentence thereof.

Mr. O'Hara. Last week testimony was presented for the Department of Labor, by the Secretary, Mr. Wirtz, and for the Department of Health, Education, and Welfare, by the Undersecretary, Mr. Nestingen.

Our first witness today represents the American Vocational Association. He is Mr. Byrl Shoemaker, president of the association, and director of vocational education in Ohio.

Mr. Shoemaker, if you would introduce yourself and your colleagues for the record, we would be very pleased to have you present your

45-100—65——6

testimony. If you would choose to summarize it, we could have it inserted in the record in full, and permit you to speak extemporaneously, or if you prefer to read your statement, that would be all right.

STATEMENTS OF BYRL R. SHOEMAKER, PRESIDENT OF THE AMERICAN VOCATIONAL ASSOCIATION, INC., AND STATE DIRECTOR OF VOCATIONAL EDUCATION FOR OHIO; PHIL W. SEAGREN, DIRECTOR OF VOCATIONAL AND ADULT EDUCATION FOR DADE COUNTY, MIAMI, FLA.; AND MAYOR D. MOBLEY, EXECUTIVE SECRETARY OF THE AMERICAN VOCATIONAL ASSOCIATION, INC.

Mr. SHOEMAKER. Mr. Chairman and members of the committee, I am Byrl R. Shoemaker, director of vocational education in Ohio, and president of the American Vocational Association, Inc.

With me today is Mr. Phil Seagren, legislative representative for the National Council of Local Administrators, and director of the vocational education in Dade County, Fla., and Dr. Mayor D. Mobley, executive secretary of the American Vocational Association.

With your permission I will summarize and hit the high points and cover any details that you may have questions upon down to a point where there is an issue, or certain specific items I want to be sure that I say clearly in my testimony.

Mr. O'HARA. So that your entire statement will be before the committee, without objection your statement as delivered to the committee will be entered at this point in the record.

(The statement referred to follows:)

STATEMENT BY BYRL R. SHOEMAKER, PRESIDENT, AMERICAN VOCATIONAL ASSOCIATION, AND DIRECTOR OF VOCATIONAL EDUCATION IN OHIO

Mr. Chairman and members of the committee, I am Byrl R. Shoemaker, president of the American Vocational Association and director of vocational education in Ohio. I am pleased to appear before your committee in support of H.R. 4257.

The vocational programs established in the various States as a result of the Smith-Hughes Act and subsequent Federal vocational education acts have always been concerned with the upgrading training of employed workers and retraining of the unemployed. The war production training program during World War II and the veterans training program after the war are two of the outstanding efforts made by vocational educators in the retraining of adult workers during periods of national emergency.

The American Vocational Association representing the 35,000 vocational educators throughout the Nation has always supported legislation providing for vocational training or retraining programs to serve the youth and adults in our Nation. The first legislation introduced into Congress calling for increased funds for retraining of the unemployed was written, in part, in the AVA Office.

While vocational educators have protested some of the administrative regulations that were established after the passage of the Manpower Development and Training Act, Public Law 87–415, they worked for the passage of the act and believe the major provisions of the act as passed by Congress are sound. Since the passage of the act, vocational educators throughout the Nation have worked diligently to implement the sections of the act providing for institutional training of the unemployed and have steadily increased the numbers served, the scope of the program offered and the different types of people served. It is significant that the institutional training phase of the program has proven to be the most productive part of the act in terms of service to people, accounting for about 85 percent of all persons authorized to receive training. A study[1] of

[1] Manpower Evaluation Report No. 4, "Comparison of 1963 and 1964." U.S. Department of Labor, Office of Manpower, Automation, and Training.

reports by the Departments of Labor and Health, Education, and Welfare indicate the following trends in enrollment in the institutional phases of the act.

	1963	1964
Enrolled	32,500	65,400
Completed	9,118	35,507

A more detailed analysis of the progress of the MDT programs in my own State of Ohio is as follows:

Manpower development and training program development, Ohio

	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965 [1]
1. Number of projects	81	96	84
2. Number of trainees approved	2,232	4,919	5,092
3. Instructional costs	$890,245	$3,390,952	$2,876,351
4. State educational administration	$33,864	$40,303	[2] $54,724
5. Total costs (including BUC administration and allowances)	$2,735,801	$5,771,975	$7,174,721
6. Average instructional cost per student hour	$0.67	$0.86	$0.78

[1] As of Jan. 31, 1965.
[2] Budget for fiscal year

OHIO'S POSITION NATIONWIDE

1. Fiscal year 1963: 1st in communities served, 37; 3d in number of approved projects; 8th in number of trainees; 10th in amount of training funds committed.

2. Fiscal year 1964: 1st in communities served, 35; 4th in number of approved projects; 6th in number of trainees; 7th in amount of training funds committed.

The States have begun to show creative ability in providing programs under the Manpower Development and Training Act. Using Ohio as an example, let me illustrate some of the rather unique programs developed under the act. As programs developed in the State we found that none could be provided in southeastern Ohio due to the lack of vocational education facilities in that section of the State. With the assistance of a local board of education an available State building, a benevolent industry, a cooperative community and funds under the Manpower Development and Training Act, a center was established to provide retraining to adults and to disadvantaged youth. Facilities were established for training 420 at one time and housing was identified in the community. The following program was the result, enrolling youth and adults from all parts of southern Ohio.

Southern Ohio Manpower Training Center, Jackson, Ohio

Project No.	*Occupations*
238–1	Clerk-stenographer
238–2	Clerk-typist
238–3	Bookkeeper II
238–4	Routeman
238–5	Machine tool operator
238–6	Auto mechanic
238–7	Auto service station mechanic
238–8	Draftsman
238–9	Welder, combination
238–10	Auto body repairman
238–11	Custodian
238–12	Cook, combination
238–13	Nurse's aid
238–14	Groundskeeper
238–15	Farm mechanic
251	Clerk-stenographer

Southern Ohio Manpower Training Center, Jackson, Ohio—Continued

Project No.	*Occupations*
252	Clerk-typist
253	Bookkeeper II
254	Routeman
255	Machine tool operator
256	Draftsman
257	Welder, combination
258	Auto body repairman
259	Custodian
260	Cook, combination
261	Groundskeeper
262	Farm mechanic
263	Home assistant
(R)5002	Farm business management and analysis
(R)5034	Maintenance man, building
(R)5049	Welder, combination
(R)5051	Electrical appliance serviceman
(R)5052	Machine tool operator
(R)5057	Clerk-typist
(R)5058	Bookkeeper II
(R)5059	Clerk-stenographer
(R)5060	Groundskeeper
(R)5067	Welder, combination
(R)5068	Auto service station mechanic
(R)5069	Salesman, general [1]
(R)5081	Cook, combination
(R)5088	Auto body and fender repairman
(R)5089	Auto mechanic
(R)5090	Draftsman, mechanical
(R)5091	Farm mechanic
(R)5112	Electrical appliance repairman [1]
(R)5113	Cook, combination
(R)5114	Maintenance man, building

[1] Proposed programs not developed.

NOTE.—Total number of projects, 33 (includes 1 15 occupational youth project); total number of different occupations, 20; total number of trainees approved, 1,466; total educational funds committed, $442,419.

A number of the projects are providing remedial or basic education in addition to the vocational training. However, the majority of the projects are designed to provide only vocational training with related classroom instruction.

On the basis of the number of disadvantaged youth, particularly in the larger urban areas, who were out of work, out of school, and in need of remedial education, social development, and job skills, a residential center has been established in Ohio at the Vienna Air Force Base. This center was established through the cooperation of the Ohio Youth Commission, the Ohio State Employment Service, the Division of Vocational Education of the State Department of Education, and a nonprofit educational organization (Mahoning Valley Vocational School), and with funds from the Manpower Development and Training Act (remodeling, instructional equipment, instruction subsistence) and a private donor ($250,000 for the equipment, remodeling, and staffing of the residence halls). The program for this center, with facilities established for 445 youth between the ages of 17 and 22, is as follows:

MANPOWER DEVELOPMENT AND TRAINING PROJECT

Ohio, 286 1 through 19, occupational training for disadvantaged youth, Mahoning Valley Vocational School, Vienna, Ohio

COURSE INFORMATION

On July 29, 1964, 445 trainees entered training at the site of the Youngstown Air Force Base. The first phase of the training project for all trainees was to be a period of 250 hours, at 40 hours per week, which would include testing, counseling, orientation, and vocational exploratory experiences.

Upon completion of the first phase, the trainees are scheduled into 1 of the 18 different vocational training offerings. The school's selection of the training area for each student will be based upon an extensive testing program; interest and aptitudes of the student; and the expected level of achievement by each

student. Each student will receive, daily, a combination of vocational training and remedial (basic) education totaling 8 hours except the 20 students being trained as automobile mechanics which will receive 8 hours of vocational training. Additional sections of 8 areas (totaling 195 trainees are to be conducted when the first sections are completed.

2.1 Phase I: Orientation, testing, counseling, and vocational exploratory experiences (as originally proposed): 250 hours per trainee, 445 trainees; 100 hours per trainee (exploratory not included), 195 trainees.

Hours of instruction were revised (as indicated on attachment A) when a more realistic determination could be made by the staff.

2.2 Phase II: Remedial (basic) education (as originally proposed):

Total, trainees	640
Trainees at 750 hours of instruction	210
Trainees at 500 hours of instruction	150
Trainees at 250 hours of instruction	260
Trainees with no remedial education beyond phase I	20

Hours of instruction were revised (as indicated on attachment A) when a more realistic determination could be made by the staff.

Trainees in the remedial (basic) education classes will receive instruction in the following areas: 1. Reading; 2. English; 3. spelling; 4. writing; and 5. arithmetic.

The progress made by each individual will depend to a great extent on his present level of education, his aptitudes, and his personal motivation.

2.3 Supplemental materials: Course outlines and equipment lists enclosed with individual projects.

2.4 Form OE–4000—"Budget Requested Form": Guidance salaries are included in category 1A "Instructional salaries" because they were originally approved in that category and accounting procedures have been set up at both the State and local level according to the original proposal. However, on the justification sheet for each project the instructional salaries and guidance salaries are broken down to indicate estimated costs.

ATTACHMENT A

Project No.	Occupation	Number of trainees	Number of trainee sections	Training course hours	Completed hours broken down phase I	Phase II	Vocational	Approximate length of course (in weeks)
286-1	Electrical appliance repairman.	20	1	1,144	184	480	480	28
286-1A	do	25	1	824	(1)	309	515	21
286-2	Auto body repair	20	1	1,944	184	220	1,540	48
286-3	Auto mechanic	20	1	1,944	184	0	1,760	48
286-4	Auto service station mechanic.	20	1	1,239	184	648	407	31
286-4A	do	25	1	704	(1)	264	440	18
286-5	Baker	20	1	1,154	184	575	395	29
296-5A	do	20	1	664	(1)	332	332	17
286-6	Accounting clerk	20	1	1,164	184	250	730	29
286-7	General office clerk	25	1	1,164	184	250	730	29
286-8	Cook, combination	20	1	1,044	184	230	630	26
286-8A	do	25	1	1,080	(1)	405	675	27
286-9	Custodian	20	1	1,184	184	750	250	29
286-9A	do	25	1	592	(1)	296	296	15
286-10	Draftsman	25	1	1,322	184	448	690	32
286-11	Tabulating machine operator.	20	1	1,822	184	252	1,386	46
286-12	Food service worker	20	1	1,081	184	667	230	27
286-12A	do	25	1	592	(1)	296	296	15
286-13	Groundskeeper	20	1	1,544	184	748	612	38
286-14	Building maintenance man.	45	2	1,594	184	510	900	39
286-15	Machine operator	40	2	1,464	184	256	1,024	36
286-16	Routeman	25	1	646	184	252	210	16
286-16A	do	25	1	482	20	252	210	12
286-18	Stock clerk	25	1	1,237	184	756	297	31
286-18A	do	25	1	576	(1)	288	288	15
286-19	Welder, combination	40	2	1,549	184	700	665	39
	Total	640	29					

[1] Phase I included in phase II.

Also, recognizing the quantity of the youth problem in the large cities, large youth projects have been established in three cities as indicated below:

Other Manpower Development and Training Act youth projects

1. Cincinnati:
   Project No. (YM) 5025–001–015.
   15 occupational areas.
   600 trainees approved.
      Estimated training costs, $370,393.
      Estimated total cost, $763,713.
   Offering a 3-phase program:
      1. Orientation and counseling.
      2. Remedial or basic education.
      3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

2. Cleveland:
   Project No. (YM) 5093–001–010.
   10 occupational areas.
   490 trainees approved.
      Estimated training costs, $211,999.
      Estimated total costs, $628,099.
   Offering a 3-phase program:
      1. Orientation and counseling.
      2. Remedial or basic education.
      3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

3. Toledo:
   Project No. (YM) 5024–001–014.
   14 occupational areas.
   576 trainees approved.
      Estimated training costs, $360,888.
      Estimated total costs, $787,283.
   Offering a 3-phase program:
      1. Orientation and counseling.
      2. Remedial or basic education.
      3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

It is important for the committee to know, however, that more unemployed out-of-school youth and adults still are served by the training programs assisted by Federal funds under the Smith-Hughes and George-Barden Acts than by the Manpower Development and Training Act. The enrollment of out-of-school youth and adults in practical nursing (George-Barden II), technical education (George-Barden III) and type C preparatory (George-Barden I) for the 2 years reported previously for the manpower program areas follows:

	1963	1964
Practical nursing	53,957	60,626
Post-high-school technical education	184,595	221,363
Type C (preparatory)	53,386	[1] 55,000
Total	291,938	336,989

[1] Preliminary estimate.

The people in public vocational education throughout the Nation have proven that they can, through existing State, Federal, and local relationships in vocational education, organize and administer a sound retraining program (as evidenced by the percentage of successful placements by the State employment services). They have shown the ability to work cooperatively with the State employment services and other units of State and local government and to work

creatively to establish new methods of the procedures. An examination of the MDT program development to date indicate that its future success would be dependent upon the further development and improvement of the institutional plan of the program, which is the responsibility of public vocational education on the State and local level.

The States face some problems in the futher expansion of MDT programs to serve youth and adults. Some of the major problems are as follows:

1. At the present time the law plans a limit on the percentage of the persons under 22 years of age enrolled in the program that may receive subsistance. As the programs progress an increasing percentage of the students will be in the 17 through 21 category.

2. The Manpower Development and Training Act has been a temporary act, which discourages long-range planning for staff, curriculum, equipment, and facilities. It is becoming obvious that well equipped MDT centers are needed in our larger cities, in addition to existing vocational facilities, if the act is going to be continued. Also MDT centers are needed for several purposes (i.e., parollees from institutions) and for sparsely populated areas.

3. Matching provisions of the act provide for State or local matching of one-third of the cost of MDT programs after July 1, 1965. The finance department of the State of Ohio indicates that the required one-third matching money is not included in the Governor's budget because of the Federal nature and controls of the Manpower Development and Training Act, and the fact that payment of additional State moneys for subsistence to the unemployed would be a major departure from State policies. At the recent AVA convention, in December 1964, the State directors of vocational education were asked how many of their States had voted money to match the Manpower Development and Training Act money, starting July 1965. Only two or three States indicated they had already voted money. The State directors then were asked for an opinion as to how many States would be able to vote the matching money. Only six or seven States indicated that they thought their State would vote the necessary matching money.

Recognizing the importance of the continuance of the MDT programs to serve unemployed youth and adults the house of delegates of AVA passed without a dissenting vote, the following resolution:

POLICY RESOLUTION TO CONTINUE NONMATCHING PROVISIONS OF MANPOWER DEVELOPMENT AND TRAINING ACT

Whereas the overall contributions made to date by the training and retraining provisions of the Manpower Development and Training Act have been measurably significant; and

Whereas the purposes of the Manpower Development and Training Act continue to be of crucial importance in the maintenance of stability in the total work force and the total economy; and

Whereas the possibility and appropriateness of Federal financing of training and retraining for the hard-core unemployed have been fully demonstrated; and

Whereas any requirement for invoking one-third matching by the States after June 30, 1965, is certain to seriously curtail such training and retraining; and

Whereas because of the mobility of labor and the movement of the unemployed among the States, the matter of training and retraining is a national responsibility requiring 100-percent Federal financing; and

Whereas several parts of the Manpower Development and Training Act automatically provide for the continuation of 100-percent Federal funding; and

Whereas requiring State matching for institutional-type training and retraining alone would comprise a gross inequity; and

Whereas the States are already making a significant financial contribution, in kind, through facilities, personnel, and other resources; and

Whereas there is an inherent and exceedingly dangerous element that funds accruing from unmatched allotments can be returned to the States for purposes which can bypass recognized State education authority: Therefore, be it

Resolved, That the house of delegates of the AVA respectfully urges the Congress to continue all the nonmatching provisions of the Manpower Development and Training Act.

This resolution enables the AVA to lend full support for all but one of the provisions of the bill under consideration affecting the institutional training and to ask for a modification of one of the provisions, the matching provision.

The AVA supports without reservation, the following features of the bill:

1. The removal of the June 30, 1966, termination date.
2. The extension of the period of training allowance support from 1 to 2 years.
3. The change which permits single persons without dependents to receive training allowances.
4. The increased training allowance for dependents.
5. The revision of the limitation on the number of youth who may receive training allowances, which will enable the Secretary of Labor to make such adjustments as administrative necessity may require.
6. The payment of transportation allowances for daily commuting.
7. The provision that costs-of-training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year. Also the provision which permits the non-Federal contribution to be based upon the matching requirements in existence at the time the training program is approved.
8. The changes which authorize special funds for training programs in areas designated as redevelopment areas under the Area Redevelopment Act and the elimination of separate funds for training in the Area Redevelopment Act.

The American Vocational Association would agree that the provision for matching on a 90–10 basis included in the bill is much more possible of attainment that the requirement of one-third State or local matching but request that full funding of all manpower programs be continued for the following reasons:

1. For a period of time when a Federal education measure is pending based upon the needs to improve educational programs in the States it does not seem reasonable to change from full funding of the MDT programs since such a change will draw money away from the present educational programs in the State.
2. The States look upon the MDT programs as federally controlled, due to the requirement of direct Federal approval of each MDT project rather than State-controlled programs as established under the Vocational Education Act of 1963 and other vocational acts.
3. States are being asked to provide matching money for the Vocational Education Act of 1963.
4. The act makes no provisions for requiring matching on any part of the MDT programs except the institutional programs operated in cooperation with public vocational education. No matching is required for the "on-the-job" phase of the training. The continuance of the no matching provision for "on-the-job" training and insistence upon matching of the institutional training could lead to the direct operation of vocational education programs in the States by the Federal Government.
5. Since there is almost no chance for "in-kind" matching of subsistence, this would throw an "in-kind" matching on the educational phase of 25 to 30 percent, since the subsistence costs are 1½ to twice as great as the educational costs. There would not likely be enough "in-kind" matching money available in the educational phases in each project to cover such a percentage. Each State, therefore, would have to provide money by budget allotment or require the local area to provide the cash dollars needed.
6. In most instances, students are enrolled without regard for residence. School districts, therefore, are not likely to put up money for a program which is not limited to students from their own school district.
7. Under a 90–10 matching provision there would be few if any contracts with private educational organizations since States are not likely to spend taxpayers' money for private school gain.

It is very possible that in Ohio provisions would be made to provide matching money on an "in-kind" and cash basis if the matching were established at a 90–10 ratio. I question, however, the advisability of placing the most successful phase of the Manpower Development and Training Act in danger when only a relatively small amount of money can assure its continued success. The public schools of this country have been providing "in-kind" matching over the life of the act through the use of their facilities and equipment.

The AVA supports H.R. 4257 but requests that the section of the bill dealing with matching of Federal with State dollars be revised to continue the present full reimbursement to States and local communities for costs of MDT programs.

Mr. SHOEMAKER. Thank you, Sir.

We are pleased to appear in relation to H.R. 4257. The American Vocational Association with 35,000 members throughout the Nation, have always supported legislation dealing with vocational training or retraining of youth and adults. As a matter of fact the first legislation concerned with this service to manpower was probably largely developed in the American Vocational Association office, with I think, Congressman Randolph.

Since the passage of this act, the Manpower Development and Training Act, the people in vocational education have worked diligently to try to make this act a success. A recent report from the Department of Labor and the Department of Health, Education, and Welfare indicates that the institutional phase of this program accounts for about 85 percent of the total program, and to me this says that the most successful part of this program is the institutional classes of the efforts in the States.

The States have been showing some creativity in implementing of this act. Initially we started with classes, individual classes, here, there, and everywhere. In using Ohio as an example of some of these changes and things that we are seeing developing; for instance in southeastern Ohio we had almost no vocational facilities.

Congressman Ashbrook will know what we mean. We have a rugged terrain in that area and people down there needed training. There was only one way we saw we could do it. We established a manpower development and training center at Jackson, Ohio, with the help of a State building, a benevolent industry, a cooperative board of education, and manpower development and training funds.

We managed to establish a center there which would enroll 445 students at a time in 18 different occupations, and now we have student approvals of around 1,400 to be served by that center.

It is over 1,400 persons.

Knowing we had a lot of disadvantaged youth in our large cities, we wondered if we could not best serve some of these youth by disadvantaged youth training centers on a residential basis. So we found an active Air Force base. We should not have started that way, but we found an active Air Force base that would let us have some facilities, with the help of a donor, $250,000 from a private donor to help with the residential phases, and with the manpower development and training funds.

We established a center which enrolls at one time 445 youth, in 18 different occupations, concerned not only with job training but with remedial education, and with some of these young people we are starting with "cat."

There was no testable reading ability with some of these young people. But by combining job training with remedial education, and with what we hope is social development through the residential phase of this under the Ohio Youth Commission, we believe we have something working to serve not only the vocational needs of these youth but also their educational and some of their social developmental needs.

As an example, the director of this program told me when we first started, young people could not wait to run home every other weekend, they were allowed. He said now it is beginning to be that home was a nice place to visit. But they are anxious to get back. It is indication,

that over the holidays, only nine people were late in returning from Christmas vacation.

Only three young people did not show up in terms of the area. I won't go into detail with this, unless you have specific interests.

We found in our large cities this quantity of services to youth important. The one in southern Ohio is for both adults and youth.

Mr. QUIE. Could I interrupt for a moment? Have you a number of them already graduated and finishing their training?

Mr. SHOEMAKER. We have from the southern Ohio manpower one. The one in Mahoning, we just started in July, and we are now having a graduating class. We had some graduates of some of the short programs.

Mr. QUIE. None of the ones have finished who were not able to read and write before they started?

Mr. SHOEMAKER. No, sir, we are going to be about 8 or 10 months with that group of young people.

Mr. QUIE. All right.

Mr. SHOEMAKER. In Cincinnati, Cleveland, and Toledo, we have established youth projects on a multiple basis, to serve the quantity of people in those areas.

I think it is important to note at this point, however, that there are more unemployed youth, out of school youth, and adults served by the so called regular vocational education programs, through the programs supported by the Smith-House Act, than are under the Manpower Act.

As an example, the enrollment in 1963 in post-high-school practical nursing, and post-high-school technical, and what we call title C programs for unemployed, we enrolled 291,138 throughout the Nation. In 1964, over 336,000 were enrolled.

So we are not diminishing our efforts in our total vocational programs to support the manpower programs. It is a matter of an effort on both facets with our total vocational education program that we have been working on for years, and continuing to provide services to out of school youth and adults.

The States face problems in the further expansion of this manpower development and training program. The limit on the percentage of persons under 22 years of age is causing us problems on administration: looking ahead over a whole year and knowing how much percentage we will have to serve.

Also we have our experiences over the years which indicate that the longer the program goes, the higher percentage of young people and out of jobs, out-of-school youth, will be involved in this training. By young people I don't mean unmarried, because very often these people are married and very much in need of training.

The Manpower Development and Training Act has been a temporary act. I have been hesitant in my own operations, to build staff, which I would if I knew it were a continuing act, because I am responsible for people, and I can't pull people in one day, and push them out the next.

Locally in our large cities and areas, the same problem prevails. The question is, How long will this be, and how adequately should we plan?

In Cleveland, Ohio, we probably have more vocational facilities than we have in any other place in the State, and yet with our day

vocational programs, with our adult vocational programs in the evening, if we are going to continue we have to move to almost a manpower training center to get the quantity of facilities that we need to operate the training programs for the unemployed and out-of-school youth.

So the temporary nature of this act has been a problem, and continues to be a problem to us.

The problem of matching is very definitely going to be a problem. I can tell you now that I have been informed by our department of finance that Ohio will not match at the one-third basis. In terms of the Governor's budget, they will not match at the one-third basis.

We have additional costs for education in Ohio and they are going to invest more money in education. Costs are going up. We have quite a crying need, as Mr. Ashbrook knows, in our local communities.

We need more aid for our public schools. We also feel that the federal nature of the Act, in terms of the approval of each individual program by the HEW, and the Department of Labor, makes it more of a Federal program than our other programs in the State.

Then, too, it would make a major change in policy in our State to pay subsistence moneys over and above that which we pay on unemployment.

At the AVA convention, they checked with the directors, and the directors don't control what happens in State budgets as you know, but they were merely reporting. They asked the State directors how many of you had money voted for matching in this act. About two or three had.

How many of you believe that your States will be voting money, and there were about seven or eight who indicated that they thought their States would provide the matching money, at the one-third basis.

On the basis of this, and the concern for the whole group of vocational education, they passed a resolution asking for full support for the manpower development and training programs at 100 percent of the cost, if the program is to continue strong and effective in terms of the States.

The AVA can thus support on the basis of the resolution, and their policies, the following features of the bill. These are not exclusive but those which we think affect us, and in the educational end. The removal of the June 30, 1966, termination date. If this is to be a continuing effective program, if unemployed are to be with us for a period of time, if they want us to plan effectively and operate effectively, we need to know what the future will be in terms of the act.

The extension of the period of training allowance support from 1 to 2 years will let us work more advantageously with the less advantaged people: Those who are concerned with reading, writing, and arithmetic as well as job training, and into some of the more what you call semiprofessional areas, if you wish.

We cannot in the 1 year, service the technical, what we call the technical-professional areas, under the manpower program. That is particularly at the subsistence level, we will not start a 2-year program now under our training phase, even though we are permitted to, because there is no guarantee that the people would be there after 1 year.

We would support the change which would permit single persons without dependents to receive training allowances, and the increased training allowance for dependents. We would support the revision on the limitations of the number of youth who may receive training allowances, which will enable the Secretary of Labor to make such adjustments as administratively necessary in the act.

We support the payment of transportation allowances for daily commuting. I had to stop planning a project that I had in mind which would have served an area, I thought very well, because of this problem of daily commuting costs, and the effect upon the people that would be enrolled.

We would support the provision that the cost of training allowance, as well as institutional costs, approved in any fiscal year, may be paid out of funds appropriated for that fiscal year. Also, the provision which permits the non-Federal contribution to be based upon the matching requirements in existence at the time the training program was approved.

This would help us with programs we have already approved this year, in running over into the next year. We would support the changes which authorize special funds for training programs in areas designated as redevelopment areas under the Area Redevelopment Act and the elimination of separate funds for training in that Area Redevelopment Act.

Gentlemen, as a State director I wonder why we have two separate fundings of this. As a matter of fact I feel very deeply that we were pushed by the area redevelopment group to do something frantically at the last minute, last year, and were criticized in the newspapers because we would not react as fast as they wanted us to do, and pour money out fast as they wanted us to.

In the newspapers in our cities, letters were written to the head of HEW, wondering why we in Ohio were not getting on the ball. We explained or tried to explain to them that the 16 weeks limitation of time put limitations on the training, which, combined with the types of groups they wanted us to serve, did not permit us to do the job that should be done, largely in those areas.

And that we were placing a greater emphasis upon the manpower programs, which had the possibilities for doing the things that should be done. So we would support very definitely this facet of the act.

The American Vocational Association would agree, and speaking also for Ohio, that the provisions for the matching on a 90–10 basis included in the bill, is much more possible to attain that the requirement of one-third State or local matching, but we request the full matching of this for some of the following reasons:

At a time when the Federal education measure is pending, which is based upon the needs to improve educational programs in the States, it does not seem reasonable to change from full funding of the MDT programs since such a chance will draw money away from the present educational programs in the States.

The States look upon the MDT programs as federally controlled, due to the requirement of direct Federal approval of each MDT project, rather than State controlled programs as established under the Vocational Education Act of 1963 and other vocational acts.

States are being asked to provide matching money for the Vocational Education Act of 1963.

The bill has no provisions for requiring matching on any part of the MDT programs except the institutional programs operated in cooperation with public vocational education. No matching is required for the "on-the-job" phase of the training.

The continuance of the no-matching provision for the "on-the-job" training and insistence upon matching of the institutional training could lead to the operation of vocational education programs in the States directly by the Federal Government.

Since there is almost no chance for "in-kind" matching of subsistence, this would throw an "in-kind" matching on the educational phase of 25 to 30 percent, since the subsistence costs are 1½ to twice as great as the educational costs.

There would not likely be enough "in-kind" matching money available in the educational phases in each project to cover such a percentage. Each State, therefore, would have to provide money by budget allotment or require the local area to provide the cash dollars needed.

In most instances, students are enrolled without regard of residence. School districts, therefore, are not likely to put up money for a program which is not limited to students from their own school district.

Under a 90–10 matching provision there would be few if any contracts with private educational organizations since States are not likely to spend taxpayers money for private school gain.

It is very possible that in Ohio provisions would be made to provide matching money on an "in-kind" and cash basis if the matching were established at a 90–10 ratio.

I question, however, the advisability of placing the most successful phase of the Manpower Development and Training Act in danger when only a relatively small amount of money can assure its continued success. The public schools of this country have been providing "in-kind" matching over the life of the act through the use of their facilities and equipment.

The AVA supports H.R. 4257 but requests that the section of the bill dealing with matching of Federal with State dollars be revised to continue the present full reimbursement to States and local communities for costs of MDT programs.

Thank you, Mr. Chairman.

Mr. O'HARA. Thank you, Mr. Shoemaker. I wonder if Mr. Seagren would like to summarize his statement at this time?

Mr. SEAGREN. I would like to hold pretty close to my text since it is rather brief, if that is satisfactory with you.

My name is Philip W. Seagren, I am the director of vocational and adult education for the Dade County Public School System, which includes the Greater Maimi area, and I have served in this school system for the past 36 years.

I have served as chairman of the steering advisory committee for the State director of vocational and technical education of Florida and for the past 7 years I have served as his special consultant. Also, it has been my privilege for the past 3 years to be the chairman of the legislative committee for our National Council of Local Administrators which is an affiliate of the American Vocational Association

and involves approximately 1,600 local directors throughout the Nation. They are affiliated with the American Vocational Association and represent approximately 16 local directors throughout the Nation.

I am also the chairman of the policy and planning committee for the trade and industrial division of the American Vocational Association.

In serving on these last two committees for the past 3 years, I have had the opportunity to obtain information concerning problems with finance as they pertain to our public school systems, both at the local and State levels.

Before going into detail on problems at State and local levels concerning budgets, I would like to comment on the value received thus far from manpower training in the Greater Miami area. And, of course, for Dade County, as well.

As legislative chairman I spent considerable time in Washington in our AVA office working for the Manpower Training Act (Public Law 87–415) as enacted in 1962. The law, as it is written, is good and should remain in effect as long as a critical unemployment problem exists throughout the country.

In addition to my regular duties as local director for vocational and adult education, I also serve as the director of manpower training for our county. As a result of the Manpower Act, I have seen hundreds of men and women of all races lift themselves from the doldrums caused by long periods of unemployment to become self-respecting citizens who are now earning good salaries.

I have received tremendous satisfaction by talking with these former manpower trainees when they come back and relate to me with great enthusiasm not only what they are earning per month, but also how happy they are in their work because of proper job selection.

Permit me to cite a few instances which will indicate not only the enthusiastic response on the part of the trainees, but also the enthusiasm manifested by the employers—the taxpayers in our community.

In vocational education we have always worked with advisory and craft committees. We have approximately 50 such committtees in our county, which meet twice, and in some instances three times a year with members of our Lindsey Hopkins vocational and adult education staff.

In our system at Lindsey-Hopkins, we have approximately 50 such committees that we work with, meeting from two to three times a year. These persons are from business and industry who are specialists in their fields and help us to keep our courses up to date.

For example, through the effort of the chairman of the automotive committee we received an invitation from the Greater Miami Auto Dealers Association to invite all our manpower trainees enrolled in automotive and auto body repair courses to a dinner meeting in order to encourage these trainees to remain in the course for the full 48-week period, even though it be at a sacrifice, and that if they satisfactorily completed the course they would receive a job by the automotive dealers of Greater Miami. They lived up to their promise and placed every graduate.

One young man came by my office a few months ago beaming and said, "I am employed in a large auto body repair shop in Miami. I am paid on the basis of the number of jobs I do each day. Since being

employed I have earned a minimum of $165 a week and some weeks I have made as high as $240."

I checked with his employer to verify these statements and his reply was, "It is not only true, but I'll take 10 more just like him."

I wish it were possible for you to see our auto body shop which was made possible through Manpower Development and Training Act funds. It certainly is paying great dividends through the rehabilitation of unemployed persons who are now employed and will become taxpaying citizens in our community. The automotive and the auto body shops are just two of the many courses offered under our manpower training.

I would like also to comment briefly on another phase of the manpower training program which in my opinion is a very important part of it, namely, the youth program. The youth project in Dade County has involved approximately 600 youth, 16 to 21. They were enrolled in refresher courses such as communications, applied mathematics, applied science, and employer-employee relations, plus another 1-hour period where the trainee receives individual assignments and was permitted to make field trips to business and industry.

These refresher courses cover a period of 10 weeks. We knew if we put these dropouts back into the classrooms, we would have to make these subjects interesting and practical or they would be dropouts again. We accomplished our objective by making a direct application of the above subjects to the five major occupational areas consisting of (1) basic electricity and electronics, (2) internal combustion engines, (3) machine fabrication of metal and wood, (4) aviation, and (5) business and service trades, all of which are taught on an orientation basis in 3-hour blocks in the afternoon.

We felt it was important for the youth to go through these refresher courses and make up for their deficiencies. Tests were administered at the beginning of the refresher courses and then again were administered at their completion.

As a result of this training, many of the youth jumped two and three grade levels when again tested. We did not have the first complaint from these youth because they had to go back to the classroom. Mainly because the subjects—communications, applied mathematics, applied science, and employer-employee relations became a tool that they could use in their occupational training being given them in the afternoon.

The courses were no longer merely a textbook subject when handled in the above manner.

Because of this preparation these youth were eager to get into occupational training and the end results were most gratifying. All during the 10-week period the youth had an opportunity to visit our vocational counselors, from our adult division, which was most helpful.

This technique motivated the youth and gave them for the first time a sense of well-being and the feeling that someone cared for them. A goodly portion of the trainees in this project have completed their occupational courses; and even though many of them were high school graduates they are now entering employment for the first time; and the reason being that now they have an employable skill.

Unfortunately, our youth project reached its completion in January 1965. We were unable to start another youth project because the length of the courses would extend beyond June 30, 1965. I look forward and most sincerely hope for a continuance of this youth project in July 1965. I also hope that it will be possible to plan projects for youth that will extend beyond June 1966. This will enable us to do a little more in the way of long-range planning.

Incidentally, because we had to close down this youth manpower training program, I lost 10 excellent teachers in these refresher courses, because I could not promise them anything beyond that date.

I have tried to give you a thumbnail sketch of what manpower training has done for the community. It is for this reason that I am appealing to this committee that House bill H.R. 4257, which will amend the Manpower Development and Training Act of 1962, be retained, thus enabling us to continue this most important phase of occupational training throughout the country.

If possible, we would much prefer having 100 percent Federal funds to carry on this program for 1965–66 for the following reasons:

1. According to Population Profile, published by Population Reference Bureau, Inc., Washington, and I quote:

> The 3,700,000 young Americans celebrating their 17th birthday in 1964 number nearly 1 million more than the 1963 crop of 17 years olds. Teenage population growth is going to continue. After 1966, each succeeding year's crop of 17 year olds will be bigger than the ones before, reaching 4 million or more by 1974.

The report continues:

> This phenomenon of massive teenage population growth presents social, moral, educational, juvenile delinquency, and employment problems which will increase each year.

2. What is the population explosion doing to our educational budget for the State of Florida? It is estimated that the expenditures for the biennium 1963–65 for education at all levels will be $486.5 million. Request for the biennium 1965–67 which will be presented to our State legislature this year totals $623.8 million; an increase of $137.3 million over the previous biennium, or 28.2 percent.

I indicated previously that this demand on educational facilities and staff will continue to grow for another decade. We also know that the same problem will exist in similar proportion throughout these United States.

I would like to read to you a resolution taken from page 42 of the minutes of the Southern Governors Conference, 13th Annual Meeting, St. Anthony Hotel, San Antonio, Tex., on October 14, 1964. This resolution carried the signatures of the 17 Governors; therefore, it had the unanimous approval of the entire southern region.

The resolution reads as follows:

RESOLUTION XI—MANPOWER DEVELOPMENT AND TRAINING ACT

Whereas the Manpower Development and Training Act has been widely implemented in the several States of the Southern Governors Conference; and

Whereas the type of basic and vocational training made possible by that act is extremely helpful to the economic and educational progress among the several States; and

Whereas State revenues for educational purposes are at a premium in all the Southern States: Now, therefore, be it

Resolved, That the Southern Governors Conference, meeting in San Antonio, Tex., October 14, 1964, respectfully petitions Congress and the President that

the matching funds provisions of the Manpower Development and Training Act, presently due to become effective July 1, 1965, be postponed until substantial progress has been made in the States of the region in reducing the vast reservoir of uneducated and untrained persons inherited from past generations; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States and to each Member of the Congress.

In conclusion, it is my earnest hope that Federal funds will be made available which will enable us to continue manpower training without placing an added burden on the several States.

Thank you, Mr. Chairman.

Mr. O'HARA. Thank you, Mr. Seagren, and thank you, Mr. Shoemaker, for two very helpful statements. They come from people who have had actual experience working under the act, and who have the necessary background to evaluate their experiences.

I am sure the committee members have some questions to ask you, and I understand that Mr. Mobley also will respond to questions that might be directed to him.

Mr. Daniels.

Mr. DANIELS. Mr. Shoemaker, with reference to the American Vocational Association, is this a national association?

Mr. SHOEMAKER. Yes, sir.

Mr. DANIELS. With members from all States of the Union?

Mr. SHOEMAKER. Members from all States.

Mr. DANIELS. I noted during your remarks, they dealt with the State of Ohio. Do you have any comment to make with reference to operation of the Manpower Development and Training Act in the other States of the Union, and what their attitude is toward this bill?

Mr. SHOEMAKER. Yes; the attitude toward this bill is indicated in the resolution passed by our national delegate body, which indicates support for continuation of the manpower development and training program, at 100 percent reimbursement.

Mr. DANIELS. You recommend that the act be made permanent?

Mr. SHOEMAKER. This did not come before our delegate assembly, so I can't say that we spoke of that, but we spoke for the continuation of it, which then again interpreting this back into administrative operations means that a continuing authorization of the act would enable us to plan work ahead.

Mr. DANIELS. Is it the feeling of the national association that the present provisions of the law with reference to 66⅔ contribution or one-third contribution being made by the State be modified to 90 percent from the Federal Government, and 10 percent by the States?

Mr. SHOEMAKER. Their recommendation was to 100 percent. This was the position of the association.

Mr. DANIELS. Is there any provision in the present act that you disagree with, or that you desire to be modified in any way?

Mr. SHOEMAKER. The act as it stands, no. There were certain administrative operational things which are not the concern of Congress, but the act itself as amended would meet with our support.

Mr. ASHBROOK. Except for the one-third provision, you mean?

Mr. SHOEMAKER. Yes; except for this facet, except for the matching provisions of the act, yes.

Mr. DANIELS. You also recommend that it be put on a permanent basis?

Mr. SHOEMAKER. Yes, sir.

Mr. DANIELS. I have no further questions.

Mr. MOBLEY. Mr. Chairman, could I add to what he has given here? It has long been the position of the American Vocational Association to support permanent legislation. I think some of you who were on the subcommittee that handled the Vocational Education Act of 1963, that this was one of the major points that we stressed. And Congress was kind enough to make the Vocational Education Act of 1963 a permanent act.

Even though we don't have a resolution that we can present in support of this, we know what our members want in this respect. It is very difficult. I have been a State director of vocational education for 17 years, and in one of the States.

It is very difficult to employ people to work in a program that is on a temporary basis, and you're at a tremendous handicap.

Mr. SHOEMAKER. As an example, I am now planning 3 or 4 years ahead in terms of facilities and equipment, so I can begin to pattern a program under the Vocational Education Act, in terms of Ohio. Under Manpower Development and Training Act I cannot do that.

Mr. DANIELS. With reference to your experience on these training programs, what has been the percentage of employable youth after having completed this course?

Mr. SHOEMAKER. After the completion of their training?

Mr. DANIELS. Yes.

Mr. SHOEMAKER. Ohio's experience is about the same as nationwide, about 75 percent of those trained.

Mr. MOBLEY. And some get jobs before they are finished.

Mr. SHOEMAKER. Yes, and we have a nationwide dropout rate of about 25 percent in these programs. We have a dropout rate in our public schools over a period of time, about the same.

Mr. DANIELS. Has any consideration been given to remedying this dropout problem?

Mr. SHOEMAKER. Let me take one illustration. Sometimes it is our fault. As an example, in this Mahoning Valley Manpower Center, at the Air Force base, that I told you about, we have had a higher dropout rate to begin with, but as we learn how to operate and work with these youth, and adults, our dropout rate will decrease.

Mr. MOBLEY. And it has decreased.

Mr. SHOEMAKER. It has decreased in the life of the act. Nationally the dropout rate is now at 25 percent.

Mr. DANIELS. You say in the beginning it was your fault. Is there any particular item that you could point to, point your finger to that you would recommend to this committee that we should try to avoid in the future?

Mr. SHOEMAKER. I think this is more our function than it is yours. I don't believe there is any function in the law which encourages a dropout. I don't think that there is any problem in the law. I think it is our experience in learning to work with these people and teacher education, and administratively—I think this is the problem, and not the law.

Mr. SEAGREN. May I make a point, Mr. Chairman, in reference to this dropout? In Dade County, in our school system our guidance department in general education through the years has been operating

almost as a separate entity, with the one of the vocational division. I don't think that that is peculiar to Miami, Dade County, or the State of Florida.

It just seems that there is that separation point, but as a result of manpower training, and this youth project, we brought the director of guidance for the county school system in in an advisory capacity to meet with our group, and, of course, I wear two hats, director of vocational education, and director of manpower.

As a result of the meetings that we had with the general education guidance group, we have now coordinated activities through all of the senior high schools, so that even when they anticipate a potential dropout they will contact us and try to work it so that they can come into a manpower training program and not just simply forget them and let them drop out completely.

It is now functioning for the first time. We have a good coordinated effort between the general education system, and the vocational division, through manpower.

Mr. DANIELS. Thank you.

Mr. O'HARA. I might comment that to a large extent you have in the Manpower Development and Training Act program what the insurance industry describes as a high risk group. This is because a good percentage of your people have dropped out of school.

Mr. MOBLEY. I don't believe that Dr. Shoemaker completed his statement. I think I am correct in this, and you can check me, the dropout rate of the people enrolled in manpower is less than the dropout rate in the secondary school system, is that true?

Mr. SHOEMAKER. I would have to point out statistically that you are talking about a longer period of time, in which they can drop out.

Mr. O'HARA. And you have a higher risk group?

Mr. SHOEMAKER. We are not dealing with the cream in some cases. We had at this Mahoning Center about 3 or 4 weeks and we had to have a shakedown. We picked up about a bushel basket of switch blades, knives, and things of this kind, from the group of young people. And yet today we have a couple of Bible clubs started with this group of young people.

I don't mean that they are roses, but we were starting with the failure group, the misfits and failure groups from the schools, frankly, and we thought we would have a real problem on this remedial education.

The remedial education man tells me that we are doing this differently than they do it in the schools. His problem is getting them out of there, and not getting them to be interested in learning how to read and write, because they know that they have to know how to read and write to read that automotive manual over there.

Mr. O'HARA. Mr. Ashbrook, have you any questions?

Mr. ASHBROOK. Yes, I have.

I appreciate the opportunity to ask a few questions, Mr. Shoemaker. I can't say I didn't enjoy your statement, it was very illuminating with respect to the State of Ohio. Obviously, as a State official, you showed some reluctance.

I was particularly interested in your statement with respect to the matching provisions on page 10 where you say that the required one-third matching money is not included in the Governor's budget, and so on.

Does this mean there is nothing included for matching funds on the present law after July 1, 1965?

Mr. SHOEMAKER. The report is not out yet so only in discussions with the finance department did I get this observation. I did get this information; it is not a third. I would say in all honesty that it is likely the 10 percent would be provided from Ohio. That is the information I have.

Mr. ASHBROOK. What would the 10 percent amount to in Ohio?

Mr. SHOEMAKER. It depends on which figure you take. You see, one of the points has been that up until now we have never been able to say we had so much money coming to Ohio under the 4-year plan because they would pool money back to use with all States.

I think our estimate was $8 million for a total program operation in Ohio, let's say for 1966. This could be in terms of what the Congress provides or what would be available to Ohio. We are now at about a $7½ million program and we will go beyond this to maybe $8 million.

Mr. ASHBROOK. That would require roughly $800,000?

Mr. SHOEMAKER. Yes.

Mr. ASHBROOK. You have specific charge of all vocational education in Ohio?

Mr. SHOEMAKER. Yes, sir.

Mr. ASHBROOK. Could you give us some estimate of the overall capacity of this program in relation to your overall vocational program which you are in charge of in Ohio. I suppose there is probably some feeling in Ohio in the administration, if they find it necessary, to cut short the contributions to this, since they are adequately doing the job in their other programs.

I imagine this is not the case, but could you give us a comparison of the total vocational program; what it encompasses, both in money and the area it covers and the Manpower Development and Training Act and what it covers?

Mr. SHOEMAKER. Yes, I think I can. We have around 172,000 total youth and adults through our vocational programs. This includes about 54,000 enrolled in full-time high school preparatory programs, and approximately 112,000 employed adults taking upgrading instruction.

You know this is one of the reasons this facet of the act has not grown. We have had a terrific program of services to employed people. There were 112,000 employed persons who went back to school for training who paid $30, $50, or $100, depending on what the training was under; what phase of the program.

We had around 7,000 adults in preparatory training programs, out-of-school adults, in Ohio.

These figures are from memory, you will understand that, gentlemen.

So from the points I made earlier, under vocational programs, 337,000 were in preparatory programs for out-of-school adults.

This indicates they are not under vocational training programs for our adults. These are largely through practical nursing, through technical and unemployed programs where they did not want to use or cannot make effective use of the manpower moneys. We have been building both these facets.

Mr. ASHBROOK. It is your recommendation, based on your opinion that this continue because it is meeting a need in Ohio, that is not being met in your other activities?

Mr. SHOEMAKER. I don't believe we are replacing, I don't mean serving, the function with something else because there happen to be more dollars available at that point. This is hitting a group of people that don't have money, they don't have dollars and can't pay any part of the instruction.

Most adults do have to pay a part.

Mr. ASHBROOK. What would be the ratio—we have it for the students, those enrolled—what would it be in money for the total vocational administration under your charge, the ratio between Manpower Development and Training Act?

Mr. SHOEMAKER. In terms of our present dollars of funds, I will have to hit two places, one in terms of separate State dollars voted for assistance to fill in on teacher education. This year—I will take 1 year—we had around $374,000 separate State moneys voted to our department.

We had, in terms of the foundation program, an additional $6 to $7 million invested in vocational program through our State foundation program in terms of Ohio.

Mr. ASHBROOK. Roughly $7 or $8 million, was it, as far as the Manpower Development and Training Act?

Mr. SHOEMAKER. Roughly $7½ million. That includes subsistence. The education costs were around $2½ million—$2,800,000.

Mr. ASHBROOK. That is very helpful in seeing how it fits into your program. There are some other programs, and I am wondering if there is any branch of your office or anyone at the present time implementing these. Is there any Area Redevelopment Act money being used for this purpose at the present time?

Mr. SHOEMAKER. Yes, sir; a minor amount of Area Redevelopment Act money is being used.

Mr. ASHBROOK. It is a small amount?

Mr. SHOEMAKER. Yes. The length of the program, the restrictions of the program, have made it more feasible to work with the Manpower Development and Training Act than with the Area Redevelopment Act. Then, too, it is limited to sections of the State.

Mr. ASHBROOK. Yes, depressed areas.

Mr. SHOEMAKER. Yes, but last spring they declared Cleveland and Toledo to be depressed areas and that is when they descended on us.

Mr. ASHBROOK. Speaking as administrative director of vocational education in Ohio, would you prefer a program consolidated in the Manpower Development and Training Act as against the Area Redevelopment Act, some under the Expansions Act, some under the agricultural program—would it be better under the administrative program where you have clear lines for States vocational and where you have the Manpower Development and Training Act, some under the agricultural, some under the Expansion Act, some under a variety of programs.

All vocationally but none with the intensity you can get into it under State vocational?

Mr. SHOEMAKER. Yes, sir. Having to administer the program, trying to keep records, having to try to explain this to people. I could

say, "What do you want to do?" If we know what they want to do, I could figure what we can do with it.

Mr. ASHBROOK. I think there are as many as five programs of recent years that could come under your program some way.

Mr. SEAGREN. I would like to comment from a local level on that, sir.

It seems in our country everybody is trying to get into the act and is attempting to bypass the local school systems to get around to getting some of these funds, and we are running into duplication of effort. That is happening in Miami right now.

I think we have what is considered a pretty good division of our programs, that is office division, and we do have the equipment in that department because we were able to purchase some from Manpower Development and Training Act funds and some from internal funds. Yet there is an attempt to establish a similar program with Federal funds and bypass us completely.

Mr. ASHBROOK. Out of what fund?

Mr. SEAGREN. As to the actual Federal fund on that, I am not too positive. It could be under the Economic Recovery Act and more than likely it is. There is a definite duplication.

Mr. ASHBROOK. This is very good for us to know.

Mr. SHOEMAKER. I indicated we supported the major provisions of this act. There is one element I would like to add and that is a caution as far as this is concerned. One, it sets into title I, I believe it is, the expansion of research and development projects. I would encourage and plead that these be closely correlated with the Department of Health, Education, and Welfare, and if possible, should require cooperation of a State agency. I don't care whether it be myself or who, but there should be cooperation.

I have had a number of projects come in which I turned down which seemingly had the recommendation of a representative from the Federal level. These, dollarwise, were not physically sound so my request or plea would be closer cooperation.

I saw in the act where it said in the proposal that there would be closer correlation between the Department of Labor and the Department of Health, Education, and Welfare. My plea is: It should be definitely a close correlation with the person that knows the total State operation perhaps better than someone who comes from outside the State.

Mr. ASHBROOK. This might be accomplished because, as you know, under this bill there is a plan for increased activity in redevelopment areas with the hope it would phase out some of the ARA, but our history is that some of these bills, some of these programs, keep going on and on.

Mr. O'HARA. Mr. Ashbrook, one of the features of the bill is that it would bring the ARA in. If you would approve, I will ask our counsel to request assistance from the trade adjustment people so we can get rid of some of this duplication.

Mr. ASHBROOK. It would certainly help these people.

Mr. O'HARA. Let's explore those possibilities.

Mr. ASHBROOK. There are some under the agricultural programs which you have not gotten yet but conceivably can, maybe.

Mr. MOBLEY. One of our witnesses, Mr. Seagren, has had some unusual experience in training Cuban exile people.

Mr. Seagren, how many people have you trained under that program since it started?

Mr. SEAGREN. Last June marked the close of 3 years of training for these Cuban refugees and almost on the very day we completed, we had 100,000 going through the vocational division, not in the school system generally. When the emergency first came about and we had officials in Washington down to look into the situation, they asked how quickly we could get started.

Well, we were in business in about 3 weeks' time. The financing was handled on a student-hour cost in both vocational training and English for foreign-born classes. We have had as many as 9,000 enrolled simultaneously. They have been wonderful people to work with, and the employers who absorbed some of these people locally say they are workers.

I would say, therefore, it is a good situation all around.

Mr. O'HARA. You have done a tremendous job all around, you are to be complimented.

Mr. Hathaway?

Mr. HATHAWAY. Yes, sir.

Dr. Shoemaker, don't you think it will contribute to the success of this program to have it on a contributing basis rather than 100 percent Federal support due to the fact you get a State and local investment which I think would contribute to greater success?

Mr. SHOEMAKER. I would go back again and cover a couple of programs. The success of the program will depend on all States participating. The most successful facet has been the institutional phase. I am not sure how I can say this, but I believe Ohio will go with the 90–10 matching. I am not sure you will have the budgetary dollars in some of the other States to enable the programs to continue, that is, on the 10 percent.

There might be a shortage of a small amount of dollars and if you don't have the 10-percent matching, then all the 90 percent won't do you any good.

I have historically supported the concept of matching funds. I am not one who on regular vocational funds says give them to us 100 percent, but this has been for a continuing educational program involving high school education up through the area in which we have had full approval of these programs, the educational programs in the State.

This other has been a special concern, such as the emergency war training—we did that over a period of years—all the special types of training that have come in from time to time, these programs are each one individually approved by HEW and Labor. We don't feel this is necessarily a State program at this point.

Mr. HATHAWAY. You mean if the State should have the responsibility of putting up some money it should have control over the program?

Mr. SHOEMAKER. I don't mean free use of money. There should be someone to see that money is spent for the purposes for which it is intended and within the regulations provided, but on the educational operation, the approval of the educational programs, you tear down the

ability of the State to do its job when you insist on approving every facet.

Mr. HATHAWAY. As far as the poorer States putting up money, isn't it true they would be entitled to 100 percent in the ARA areas?

Mr. SHOEMAKER. This would depend on how you approve your law. If it is still limited to 110 weeks, you can't operate them as we have been doing to date. I have gone through two periods of this—during the war emergency training program, if we kept a person for 12 weeks, they were out there waiting to take him and put him to work.

This is an entirely different situation; they are not waiting and insist on better training.

I got three cancellations the other day saying the 16 weeks will not allow them to get the level of skills needed to achieve an employable level. We are in a different period of time in which a longer and greater depth of training is required by employers than during the wartime period.

I have had to reorient my training from what is was during the emergency training, during the war.

Mr. DANIELS. If the gentleman will yield?

Mr. HATHAWAY. Yes; of course.

Mr. DANIELS. Would it not depend on the nature of the course involved as to whether 12, 16, or 52 weeks are needed?

Mr. SHOEMAKER. The length of time depends on what area of instruction you are offering.

Mr. DANIELS. Also, it would depend on the mentality of the person involved?

Mr. SHOEMAKER. Yes, sir; but now there is a little hidden thing in this. Even in some of the lesser areas the people going into these programs will need more remedial education. We will have to invest more time in remedial education in order for them to go into some of the jobs for which we might train them in 10 or 12 weeks.

We will have to extend the time by adding on the reading and arithmetic—not so much arithmetic, unless it applies to their field. You don't move people educationally many grades in the shorter period of time. I have asked how much have we moved these people in 4 months and sometimes it has been two or three grade levels.

By the time it is done, we hope to have it up to a level of literacy but you just can't cram. We are doing it now faster than we ever thought possible before. We are improving our methods on this remedial education, but there still is a time period involved.

Even persons going into a low-level job, in almost all instances they are required to read labels saying, "Poison" or things of this type.

I had a letter from a colored lady which requested very simply:

> My husband can figure in his head but he can't read. Can you do something for him because he wants to work?

I directed her to get her husband to an employment service, and with the manpower training centers, if we don't happen to have a program in her city, we can very likely send this person to one of the centers.

Mr. MOBLEY. Mr. Chairman, could I ask something?

Mr. O'HARA. Yes.

Mr. MOBLEY. One of the great problems vocational educators are telling me about is that in many of the centers Dr. Shoemaker has

described, they are renting buildings. When you have a program that ends every year or so you come to the end of the line and you have got to renew the contract for rental of the building, but when you don't know whether the program is going beyond July 1, it makes it difficult to operate on a sensible or a sound basis.

Mr. SEAGREN. May I comment on that?

Mr. O'HARA. Yes.

Mr. SEAGREN. Speaking on a local level, we have had some problems submitted by the Employment Service, that is, where it originates. We find the project is worthwhile, we can train them so that they are employable, but if we have to acquire the equipment which is permissible under the Manpower Development and Training Act, to do the job, we are expending a lot of money over a period of time that doesn't make sense.

I hope in the youth program to be able to plan through 1967 so we can do some long-range planning and set up the equipment and feel justified in asking for it. I don't feel justified in asking for equipment for each week of training. This doesn't make sense.

Mr. HATHAWAY. That is all I have.

Mr. O'HARA. Mr. Quie?

Mr. QUIE. On page 13 of your testimony in item 4 you say the continuance of the no-matching provision for "on-the-job" training and insistence upon matching of the institutional training could lead to the direct operation of vocational educational programs in the States by the Federal Government.

It seems to me that 100-percent financing could lead to the direct operation and that the more the States participate in funding a program, the more voice they would have and the less chance it would be of the Federal Government operating the programs.

Mr. SHOEMAKER. Let me explain this, Mr. Quie. There is no matching provision on the "on-the-job" training facet of this act. It has been indicated that the persons responsible for on-the-job training have taken the liberty of operating preparatory programs, including facilities, equipment, and the operation of programs.

As I have indicated, I normally will support the concept of matching. I am saying that if this program is to continue, there is a great possibility of many States not coming up with even the 10 percent. The on-the-job training program by law does not require the 10 percent—on this basis on the job training programs could be moved into the State to operate under Federal control.

If they do not provide the matching money, this can go back in and be used in a direct program on "on-the-job" training.

Mr. QUIE. You think they might begin doing the institutional-type training in the factory?

Mr. SHOEMAKER. Yes, they have done this.

Mr. QUIE. They have already done this?

Mr. SHOEMAKER. Yes.

Mr. QUIE. Is this an expanding operation?

Mr. SHOEMAKER. No, sir, I don't believe so.

Mr. QUIE. What causes them to do it now when there is 100-percent financing in the institutional program?

Mr. SHOEMAKER. I can't answer that.

Mr. QUIE. Are there any operating in Ohio?

Mr. SHOEMAKER. Yes, sir.

Mr. QUIE. Which States are they doing this in?

Mr. SHOEMAKER. We can get this information if you would like it, but I don't have it at my fingertips to give it to you.

Mr. QUIE. I would like to have that information as to where it is operating now and also the reasons. If you can find that out, I would like to know the reasons, too.

Mr. MOBLEY. I think you would have to get your reasons from someone else, those who are doing it. We could get the States.

Mr. QUIE. The only thing I was thinking of is the reason somebody—vocational or educational—I would like to know the reasons why they refused.

Mr. SHOEMAKER. Yes, sir.

Mr. QUIE. Other than this, you would then prefer to have—as I understand your answer—you would prefer to have a greater voice in setting up these programs and for them to eventually evolve and be considered one of State or local control and be considered as vocational education?

As I realize now in Minnesota, too, they look at the Manpower Development and Training Act as a Federal program. Would you like to see it shifted more toward State programs?

Mr. SHOEMAKER. Yes, sir; that is correct. We have an excellent cooperative working relationship with principals.

Mr. QUIE. How would this concur with 100-percent financing? Why should you have any voice if the tab is picked up by the Federal Government, if the Federal Government picked up 100 percent of the tab?

Mr. SHOEMAKER. It is our money anyway.

Mr. QUIE. Yes, but it seems to have picked up the voice of quite a number of people.

Mr. SHOEMAKER. So it goes back to the principle, which to me is very important, and goes far beyond dollars for maintenance of any educational program of the State and——

Mr. QUIE. This is also the principle in the National Defense Education Act. We maintain a student loan provision but the institution must pay a part of that so they will have a sense of responsibility.

It seems to me you have the same principle involved here that you are setting aside when you say the Federal Government should pay 100 percent of the program but give you a greater voice.

Mr. SHOEMAKER. There should be control within the regulations established to see that the funds would be expended for the purposes for which Congress intended them. They should be checked and measured on that basis.

Mr. QUIE. If Federal Government pays 100 percent of the cost, it is not only the people of Ohio who should have a voice in the expenditure, but the people in my district should also have a voice in the expenditure. Their voice is not heard at all in the way the programs are administered in Ohio, and for that reason I don't see how you are going to ever get greater State control unless you are willing to pick up a share of the costs, and I would say a more substantial share than 10 percent.

I think for most Federal programs the States pay at least 50 percent. For a strong State voice we should have greater matching than 10 percent.

Mr. SHOEMAKER. Again we go back to the purpose for which this act was intended, for instance in Ohio we have a large program of individual participation beyond high school education and as far as the payments for this training are concerned these people are unable to pay a part of it.

Mr. QUIE. The State of Ohio should share some sense of responsibility toward these people who grew up in Ohio and are unable to find a job within their skills and in the community where they live. I realize the national responsibility that has been assumed over the years, but surely the State of Ohio must have quite a substantial sense of responsibility in which they would be willing to pick up a part of the tab if they feel the program is worthwhile.

Mr. SHOEMAKER. Of course Ohio has invested quite a bit and will have to invest more both in vocational and public education as a whole. Our costs of education are going up, I believe it is over $100 million a year that will be added from our State government in terms of vocational and educational programs. So we are not denying our responsibility for investing in education, but we do have a problem when looking at the program in terms of assistance, particularly assistance for the unemployed group.

Mr. QUIE. It was hoped when the act was originally passed that these programs would be set up and 100-percent financing would be available so there would not be a budgetary problem, however, we set up a certain date in the future which turned out to be the end of this fiscal year when the States would have to begin budgeting a certain amount of money.

They have been able to plan some period ahead. Now we find you are coming in and saying the priorities aren't sufficient and you would like to continue to finance only your other educational programs. You are saying this program is such that you don't feel you are really capable of picking up 10 percent.

The 10 percent is too low in my view but from the view of the administration they felt 10 percent was all they should ask now. Even so, you go a step further and ask 100-percent financing by the Government. It seems to me you are encouraging the Federal Government to assume a greater voice. You are asking the Federal Government to look at the local vocational program and then saying, "if it isn't enough, we will set up a separate one ourselves."

I think your suggestion that the Federal Government pay 100 percent encourages the Federal Government to see that these programs are operatedly directly by the Federal Governmnt.

Mr. SHOEMAKER. Whether it is 100 percent, 50 percent, or 25 percent, it depends on the administrative regulations or laws as to whether it will be federally operated or State operated.

Mr. QUIE. Then there is the old adage about the one who pays the piper calls the tune.

Mr. MOBLEY. Could I comment on that?

Mr. QUIE. Yes, sir.

Mr. MOBLEY. One of the things Dr. Shoemaker pointed out in his testimony—I have forgotten the page—had to do with matching "in kind." Matching "in kind" cannot be used in paying subsistence allowance to the trainees; you have to pay cash for that. So whether

it is 10 percent actually, it means matching at least 20 percent for an educational program.

Mr. QUIE. Yes.

Mr. MOBLEY. In some cases, as he pointed out in his paper, it would run better than maybe 35 percent because the training allowance costs more than the training.

Mr. QUIE. I think this falls within their responsibility. Any time the State pays less than 50 percent, it seems the Federal Government is picking up a substantial share. My last question has to do with the last page of your testimony.

You say if there is a 90 to 10 matching provision, and the same would hold true as long as there was the two-thirds, one-third that the law provides would go into effect in the next fiscal year, so any time there is matching required it is very unlikely the State would contract with private educational organizations. Is this serious, do you think there are some private educational organizations that ought to have a contract?

Mr. SHOEMAKER. Let me take an illustration. We have a need for a welding program in this section of the State. There were no facilities for this training, but there was a company that had a continuing welding program for a number of years.

We contracted with that company because it was cheaper than providing the facility and equipment for that program. It was a reputable and on-going firm.

The same has been true in certain business areas. There have been a number of contracts with private organizations as with the veterans' training, but I think we are building a little more soundly in terms of a residual program under this act than we did before.

Mr. O'HARA. Will the gentleman yield?

Mr. QUIE. Yes, sir.

Mr. O'HARA. In Michigan, we have had some experience with two private organizations. Two of the best programs I know have been conducted by the Michigan Catholic Conference sponsored by the Catholic bishops. One dealt with Americans of Mexican descent, most of whom came to Michigan as migrant farmworkers and stayed on. These people were taught English and other learning skills.

The Catholic conference now has an application pending which would involve Indians at a reservation near Mount Pleasant, Mich. In addition, at least one labor organization, the UAW local which represents the technical and engineering employees of Chrysler Corp., has set up a couple of programs dealing with automobile styling problems.

It has been very successful and has been operated by Local 41, United Auto Workers.

Mr. QUIE. Have any raised objection to the 10 percent matching provision?

Mr. O'HARA. I am having lunch today with the fellow running the Michigan Catholic Conference program. I have not really had a chance to talk with him yet.

Mr. QUIE. In this case would they be required to put up the matching themselves rather than the State, as Mr. Shoemaker implies here?

Mr. O'HARA. I think that is probably correct. One of the changes made in the matching provision is that it not only goes from 66⅔ to

90, but the matching can be done by anyone. It doesn't matter who matches so long as the money is put up. It gives the State an out. The States can say to these organizations, "We are not going to stop you but, of course, you put up the 10 percent, not us."

Mr. QUIE. That is all I have.

Mr. O'HARA. I would like to thank you gentlemen very much. The committee may be interested in this telegram received by Mr. Holland, our chairman. I will read it for the record.

It is from Donald Russell, Governor of South Carolina. It reads:

I understand hearings on amendments to the Manpower Development and Training Act will be held on February 9 and 10. I respectfully request that the following statement be made a part of the official public record:

South Carolina has made remarkable progress under the federally financed Manpower Development and Training Act in training that segment of our population who, through lack of educational opportunity, find it impossible to earn a substantial livelihood.

Our State is in particular need of this program because of its high birth rate, youthful population, unusually large farm population and low per capita income. The programs initiated in South Carolina are training thousands of underprivileged citizens and have resulted in profound improvement in employability.

The program, which is proving highly valuable to our people, is an extremely useful tool in fighting poverty. It is meeting with proven success in our State, and I trust, throughout the rest of the country. We would not like to see the program curtailed in any fashion in South Carolina.

Yet at the same time, we do not anticipate that we will have the significant sums of money necessary to meet the matching fund requirements scheduled to go into effect July 1, 1965, and continue the program full scale.

I believe it will be very helpful in the overall antipoverty efforts currently being fashioned to have the Manpower Development and Training Act program continued in all States of the Union. Therefore, I respectfully urge that the Congress pass appropriate amendments which will postpone the effective date of the matching fund provision of the Manpower Development and Training Act program.

The States are already having difficulty funding conventional educational programs and must have this extraordinary assistance in meeting the needs of our adult population until we cut down the reservoir of untrained and ill-educated people inherited from past generations.

Thank you for your consideration of this view.

It is signed by Donald Russell, Governor of South Carolina.

I might add that there was some discussion by the administration of eliminating the 25-percent limitation on youth which now is in the act. Inquiries were made of the chairman of this subcommittee, Mr. Holland, for his attitude on the matter. Mr. Holland made it quite clear he would not favor eliminating that provision, although he would favor giving a little administrative leeway to its application.

I think that emphasis is one aspect of this program and that to a large extent this program is directed to the adult worker who, because of rapid technological change or automation, simply finds himself unequipped to find new employment after he has lost his old employment.

I don't want to change that, but I think it gives this program a somewhat different focus than the vocational program, although I think remarkable work is being done with upgrading of skills.

To a large extent we are talking of family people who need new skills and who will need some sort of help, financial help, while they acquire it.

Mr. QUIE. Will the gentleman yield?

Mr. O'HARA. Yes.

Mr. QUIE. Does the bill require an increase of the 25 percent and go to one-third?

Mr. O'HARA. No, it keeps the 25-percent limitation but permits the Secretary to deviate by inconsequential amounts. I understand from the Secretary that their problem has been that every time they have a youth program presented for approval they have to stop and run a complicated check to see how many youth programs they have from other parts of the country and whether this is going to push them over 25.2 percent.

Mr. QUIE. Does this mean there is more pressure for youth programs than adult programs?

Mr. O'HARA. I don't know if that is the case. I was led to believe that their problem was each time they had an application presented they had to decide whether it should be youth or adult and look nationwide to see the relevant balance of the funds available to permit them to fit it into the 75 percent rather than 25 percent and say, "You must have that approximate value of 75–25. If you miss it a point or two, no one is going to complain."

Also I think one of the real troubles has to do with matching the subsistence allowance. We have unemployment compensation and it works in a certain way, and when you try to get the States to make a rather significant change in their approach to the problem of subsistence for the unemployed the way this bill does, I think you create some reluctance on the part of the States.

Would you agree with that?

Mr. SHOEMAKER. This was the statement of our finance department.

Mr. O'HARA. So you anticipate that if the 90–10 matching were adopted, the State would not match the subsistence allowance so that the entire burden of matching the 10 percent project cost for training and subsistence would be forced on the training program so that in practical operation it would be zero matching on subsistence allowances and 20 to 30 percent in matching on training?

Mr. MOBLEY. May I say something?

Mr. O'HARA. Yes.

Mr. MOBLEY. I think in most States and local communities they have already been matching this money "in kind," 10 percent or more. For instance, Mr. Seagren, in your community none of your salary comes out of this program, if I understand it correctly.

Mr. SEAGREN. That is correct.

Mr. MOBLEY. And your supervisors' salaries do not come out of this program, yet they are spending much time on it.

Mr. SEAGREN. I have been criticized by our local board, especially in the trade and industrial division, by having them work in developing a project after a request comes through from the Employment Service, and it is time I start getting them back on their regular program. I think I conservatively give 50 percent of my time, either traveling to meetings here as well as local meetings. We are doing much more than 10 percent "in kind" at the present time.

Mr. MOBLEY. The point I am trying to get on record is that I am of the opinion that nationwide States might be able in most instances to absorb this 10 percent "in kind" and do it honestly by use of equipment, use of buildings, use of personnel, and so forth.

When it comes to absorbing 20, 25, or 30 percent, that is another story, and I question whether it can be done.

Mr. O'HARA. I discussed the matching "in kind" problem with the Secretary of Labor and I was reminded that for the most part there is a lot of matching "in kind" right now that isn't encountered under the regulations. I think that should be looked into if we go into matching "in kind." If we are going to have "in kind" matching, I think it ought to be truly "in kind" matching, and we should assign a fair value to it.

Mr. SHOEMAKER. We have been using machine shops, things costing $100,000, and not a cent has been paid to the State for the use of that. They say, "If you break something, we will repair it."

Mr. MOBLEY. If you had to turn in an honest budget on 20 percent——

Mr. QUIE. They are all honest.

Mr. MOBLEY. I realize it is not padding, but an honest budget, you might get by with 10 percent. But if you go to 20 or 25 percent, I am doubtful.

Mr. SHOEMAKER. Except where we are doing something special like Mahoning Valley where we set up a whole center. For instance, I think we need a center for parolees. I ran into one the other day, a fellow who had been involved with rental properties. This fellow is heading back to jail because he doesn't have anything to do. We need something for these particular people.

I tried to direct him to manpower. He is out of jail and fearful of going back, he doesn't want to go back, but he has absolutely nothing to sell. He has a wife, two children, and nothing to sell.

Mr. QUIE. Will the gentleman yield?

Mr. O'HARA. Yes.

Mr. QUIE. Are there any programs where the Federal funding is not sufficient and the community is sufficiently interested they have some direct funding of it themselves?

Mr. MOBLEY. I think two or three States have already been putting money in this. For instance, Pennsylvania. In Pennsylvania they had a program for 8 years before the Manpower Act was passed by the National Congress. I worked very closely with the Pennsylvania vocational authorities in helping to draft the first bill introduced on this subject, introduced by Senator Randolph from West Virginia.

This was at the tail end of Congress but the next year we worked with the Pennsylvania people again in drafting a new bill that was introduced and, finally, the administration came in there. Pennsylvania had a very successful experience with this program over the years and they financed it solely with State money for a while and I think they are still appropriating some State money to go along with the Federal money.

Mr. QUIE. Do we have information on that?

Mr. MOBLEY. West Virginia is another State, I remember a few years back they appropriated half a million dollars to help train adult unemployed people. I don't know whether they are continuing that appropriation or not.

Mr. QUIE. I think we should find out not only what indirect but also what direct matching they have or have had before.

Mr. O'HARA. At the request of the committee, Mr. Hess has promised to supply us with a summary regarding State matching and a summary of State legislative sessions. When that is provided, I will request counsel to send a copy to each member.

Gentlemen, I enjoyed your testimony very much and the particulars you have given us about your Manpower Development Training Act training centers in Mahoning Valley and elsewhere, and the youth programs in Dade County where you turn out automotive bumper workers. I think this is an area of great need. This is one of the areas the Secretary of Labor mentioned for particular attention in the job development features.

He is attempting to institute something on that. He feels there are many service areas, including automotives, where one can't identify jobs. But if one were to make an effort, such as with the Dade County Automobile Dealers' Association, to develop the possibility of placing trainees, he could do a lot more.

We enjoyed your testimony very much.

Mr. MOBLEY. May I add we are grateful to you and the members of your committee for allowing us to present our views.

Mr. O'HARA. The Select Subcommittee on Labor is adjourned until 10 o'clock tomorrow morning. We will meet here in this room at 10 a.m. to hear Mr. Andrew J. Biemiller, director of the legislative department of the AFL–CIO, and Mr. William L. Batt, Jr., Administrator, Area Redevelopment Administration.

(Whereupon, at 11:50 a.m., the subcommittee recessed, to reconvene at 10 a.m., Wednesday, February 10, 1965.)

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

WEDNESDAY, FEBRUARY 10, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10:15 a.m., pursuant to recess, in room 304, Cannon Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara, Daniels, and Hathaway.

Staff members present: Dr. R. E. L. Knight, director of the subcommittee; and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. Good morning, ladies and gentlemen. The Select Subcommittee on Labor of the Committee on Education and Labor will please come to order.

The subject of our hearing today is a series of bills to amend the Manpower Development and Training Act of 1962; namely, H.R. 4270, introduced by Mr. Perkins; H.R. 4257, introduced by Mr. Holland; and H.R. 4271, introduced by Mr. Powell.

At earlier sessions of the committee testimony was taken from the Secretary of Labor, Mr. Wirtz; the Under Secretary of Health, Education, and Welfare, Ivan Nestingen, and representatives of the American Vocational Association.

Today we will hear Mr. Andrew J. Biemiller, director of the department of legislation of the AFL–CIO.

Mr. Biemiller, we have your statement. If you wish, we will enter your statement in the record and you can summarize its contents for us or, if you prefer you may read your statement.

Mr. Biemiller. I would prefer to read most of the statement if that is agreeable, and then toward the end perhaps I can summarize.

Mr. O'Hara. Very well, you may proceed.

STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Biemiller. Mr. Chairman, my name is Andrew J. Biemiller. I am director of the department of legislation of the American Federation of Labor & Congress of Industrial Organizations. I am accompanied by Nathaniel Goldfinger, director of research for the AFL–CIO.

We are here to testify on proposed amendments to the Manpower Development and Training Act.

45-100—65——8

We are pleased to have this opportunity to appear before this subcommittee on the pending bills. Because of our long and continuing support for programs to improve manpower policies, it is gratifying to the AFL–CIO to see a similar interest expressed by this subcommittee in the form of these hearings on proposed amendments to the Manpower Development and Training Act scheduled so early in this session of the Congress. It would be our earnest hope that, as a result of this speedy action, we could look forward to the enactment of amendments to the Manpower Development and Training Act at an early date.

There is good reason to emphasize the need for prompt action.

As presently written, the Manpower Development and Training Act would require States to provide one-third of the funds for any Manpower Development and Training Act programs in fiscal 1966, and one-half of the funds thereafter. Only a handful of States have indicated a readiness to accept this arrangement, despite the fact that the Manpower Development and Training Act is generally well received and widely endorsed.

We have no doubt that the failure to act is, in no small measure, due to inadequate financial resources in the States, together with heavy demands for funds to support other well-established programs.

Regardless of the reason, it is obvious that the Manpower Development and Training Act training is on the brink of difficulty. If the present State-matching requirement remains, programs will be sharply curtailed. Whatever the decision of the Congress, however, quick action on this question of State matching is in order so that the State legislatures, presently in session, will be given the necessary guidance and the necessary time to deal with this problem, which they cannot do until they know what Congress expects of them.

This problem of State matching is recognized in the legislation now before this subcommittee. It proposes to amend the matching requirement to provide a 90–10 formula. While this arrangement will obviously be more attractive to the States than that which the law presently calls for, the AFL–CIO is not in accord with this proposal. We believe that in our economy—which is a national economy, and not 50 different economies hemmed in by 50 different State boundaries—a national, federally financed, program is called for.

Consider, if you will, the mobility of our population and of our work force and, indeed, some of the language of the Manpower Development and Training Act itself. The Manpower Development and Training Act, in section 102, is concerned about practices "which tend to impede the mobility of workers" and, in section 202(c), indicates an interest in training workers for jobs outside their area of residence if they are prepared to move after the training.

We are concerned about the unfairness which is inherent in any matching requirements for a program such as the Manpower Development and Training Act. The mobility of our population and our work force flows from the fact that we have a national economy. Whatever the reason that determines our geographical shifts in industry—be it changing technology or simply personal idiosyncracies on the part of corporate decisionmakers as to plant location—right or wrong, we presently exercise no control over this facet of our economic life.

People are compelled to chase the jobs, or what they hope will be jobs. Some who move are adequately prepared; others are not. And

often it is those who are not who become burdens on their adopted areas. Therefore, it seems only logical and fair to establish all of our manpower programs, including the Manpower Development and Training Act, with 100-percent Federal financing.

Before leaving this topic, I would like to point out one other problem. As this legislation is now written, any matching program, including the proposed 90–10 formula, would require State action. Thus, if a State fails to enact the necessary legislation, it would appear that programs within such a State, regardless of the desire of some of the cities, could not be undertaken even if the municipalities were prepared to meet the necessary matching requirement on their own.

I would like now to discuss the other proposed Manpower Development and Training Act amendments. Before doing so, however, I think a few general observations are in order.

The AFL–CIO does not regard manpower training as the answer to this country's unemployment problem. This program will help, as it has, and it has our wholehearted support. But we believe that it is vital to point out that increased efforts in education, in training, and in retraining, will provide us only with a better educated, better trained body of unemployed, unless the economy grows rapidly enough to provide the necessary job opportunities—jobs for workers displaced by automation and technological change, jobs for the huge numbers of youngsters who are now pouring out of our schools, as well as jobs for the millions presently unemployed.

The unemployment problem today is not a phenomenon traceable only to problems of youth, older workers, minorities, or the unskilled. Admittedly, these groups are more vulnerable and represent special problems that require special attention. But we cannot ignore the fact that this Nation has been content to suffer an unemployment rate of 5 percent or more for practically every single month since November 1957.

Nor can we ignore the fact that, included in those monthly statistics, have been—and are—not only the "special" problems, but also large numbers of skilled workers, semiskilled workers, and professionals. We need only look at the data on the unemployment rates for workers in these latter categories to see that they, too, have been experiencing joblessness at a rate nearly double what it was in 1953. So long as this condition prevails, it will be exceedingly difficult to make significant inroads into the unemployment situation of those who are even more vulnerable to joblessness.

Over the last few months, there has of course been some improvement in the unemployment rate, but it has obviously not been nearly enough in relation to the size of the problem. Moreover, we are quite concerned about the expectation that the unemployment rate will begin to creep upward again before this year is out.

Thus, we not only have some special and very difficult problems; we also have a general problem of unemployment and we should not expect it to go away simply because we are engaged in some manpower retraining.

As I stated before, we need these training programs. But, I would urge the members of this subcommittee to view these programs with the proper perspective. They are only one of the tools of an intelligent manpower policy. They cannot solve our unemployment prob-

lems, for they cannot substitute for inadequate economic growth, or for the failure to pursue those economic policies which are essential to the necessary expansion of the number of job opportunities.

Furthermore, in our judgment, the true impact of legislation such as the Manpower Development and Training Act, and its true value, will be felt more in periods of full employment, rather than in periods of high unemployment. It is under such a condition, when the economy is growing rapidly, and when job opportunities are expanding, that manpower training and retraining should make its maximum contribution to our economy and to our people. It would be in such times that opportunities to be trained for good jobs would be more readily available.

Therefore, Mr. Chairman, we view the Manpower Development and Training Act as more than the "ameliorative" measure which it now often seems to be. To us it is a vital tool of intelligent manpower policy, useful now in a period of high unemployment, but potentially even more useful in better times. It is for this reason that we are pleased to see that the proposed amendments will eliminate the need for periodic extension of the life of this act, and we would certainly endorse such a proposal.

There will, of course, be a continuing congressional review through the appropriations process. We would like, however, to suggest the possibility of another type of review—a review of the annual manpower report of the President and of the reports of the Secretaries of Labor and Health, Education, and Welfare, all of which are required by the Manpower Development and Training Act.

It would seen to us desirable to have open hearings each year following the submission of these reports to Congress. In this way, these documents would receive the attention they warrant, and the Congress would have a systematic method by which to review and evaluate the activities of the Manpower Development and Training Act and related manpower programs.

With your indulgence, Mr. Chairman, I will now discuss section by section the other Manpower Development and Training Act amendments proposed in H.R. 4257 and H.R. 4271.

Section 2(a) proposes to amend section 102(5) to enable the Secretary of Labor to provide grants, as well as contracts, for the conduct of research. At the present time this activity is carried on exclusively through contracts.

To some extent, a contract arrangement places research activity in a straitjacket. It requires the researcher to provide a rather detailed project proposal and then, because of the contract, denies him the flexibility that true research demands. It is, therefore, not always feasible. Furthermore, the opportunity to provide grants may be just what is needed to induce more of the promising graduate students into the field of manpower research. We, therefore, wholeheartly support this proposed amendment.

Section 2(b) proposes the addition of two paragraphs in section 102—one to cover experimentation and demonstration projects, and the other, on-the-job training in the service industries. In both paragraphs, but especially in connection with the latter one—that is, the proposed new paragraph (7)—we note what we regard as a serious

omission and/or oversight. There is no reference to upgrading workers who are employed in low-skill and low-wage occupations.

To us, on-the-job training is the single best tool for upgrading incumbent workers who may, because of lack of opportunity for training, be encased in the lower wage jobs in the employer's establishment. In our view, it is grossly unfair to ignore these workers while, at the same time, giving opportunities to train for the better jobs only to those who are unemployed.

We believe that an employer who refuses to upgrade regular employees, when the need and opportunity exists, should not be given Manpower Development and Training Act assistance to do so for workers not on his payroll. We think this order of priority ought to be spelled out also in section 204.

Because the intention of the proposed new paragraph (7) is clearly to stimulate expanded training activities in the services, we feel compelled at this point to discuss the question of standards and procedures.

The Manpower Development and Training Act should not be used to train workers for jobs which pay substandard wages. The jobs for which workers are trained under the Manpower Development and Training Act ought not to pay less than the prevailing wage for the occupation, and every proposed project should meet that test.

Beyond this, however, there ought to be some sort of a floor. Simply because the prevailing practice is the payment of substandard wages is no reason why the Federal Government should subsidize and reinforce the practice with Manpower Development and Training Act assistance.

If Federal funds are used to help provide a supply of labor for such employers, they will be under no pressure to elevate their standards and to pay the workers a decent wage.

And for a nation which is just now embarking on a campaign to eliminate poverty, it would make no sense to subsidize substandard wages when about one-half of our people in poverty—as measured by the $3,000 family income standard—are in that group merely because the wages they earn are too low.

We would, therefore, urge this subcommittee to raise the sights of the Department of Labor by writing into the law a requirement that, at the very least, workers will not be trained for any jobs which pay less than the minimum wage stipulated in the Fair Labor Standards Act, whether or not the job is in a covered occupation or industry.

Although our discussion of this matter is an outgrowth of the announced intention to expand training in the services which such vast numbers of workers are forced to work at substandard wages, it would be our recommendation to have the Fair Labor Standards Act standard apply to all proposed Manpower Development and Training Act programs.

Moreover, and in order to strengthen the operation of the Manpower Development and Training Act and to improve its effectiveness, we believe it is essential to have the legislation clearly written to assure that all projects are scrutinized and periodically reviewed by properly constituted labor-management-public advisory committees.

We do, of course, have a system of local and State advisory committees, but they do not function with uniform effectivenes, and this

is more often than not due to the failure of the administrators to involve the committees. In our judgment, a requirement that all projects must be reviewed in advance by a labor-management-public advisory committee will help to keep the program on the right track, and will increase support for our training and retraining efforts at all levels of our society. And, needless to say, it will give the administrators of the program the benefit of expert advice that might not otherwise be forthcoming.

If, for any reason, there is no local committee in operation, then the project ought to be reviewed by a State advisory committee; and where the latter doesn't exist, the National Manpower Advisory Committee should review the proposal. Furthermore, the national committee should review in advance any Manpower Development and Training Act projects where it is proposed to develop them on a nationwide basis.

In connection with this discussion of the importance of advisory committees, it would be well to recall the most successful training experience of this type which the country had. During World War II, under the aegis of the War Manpower Commission, but with the aid of a network of State and local committees, we embarked on a massive training program. And it functioned well and effectively. It had broad-based support and widespread participation, including labor and management. And this is the type of operation we ought to seek in carrying out programs under the Manpower Development and Training Act.

Only in this way—only if we can improve and increase the participation of knowledgeable citizens, can we hope to assure that the Manpower Development and Training Act projects will work to the advantage of our communities and our people, and not become bones of contention.

And it will be only with such participation, where the projects are subjected to scrutiny by interested parties, that we can be sure to avoid the use of Manpower Development and Training Act training as a source of cheap labor or as a vehicle to undercut existing standards.

Section 3 proposes a necessary renumbering of certain sections, amendments to the provision covering labor mobility demonstration projects, and the addition of a section to provide for trainee bonding demonstration projects. We endorse these proposed amendments.

The major changes proposed in the labor mobility demonstration projects are (1) the extension of the time over which the projects will be developed, (2) the addition of up to $1 million per year in the amounts that may be used for this purpose, and (3) a greater flexibility in the use of the funds for the combination of loans and grants. It also spells out in greater detail the conditions under which the loans may be granted.

The purpose of the trainee bonding demonstration projects is obviously to explore the feasibility of improving the employment opportunities of workers who are marked by previous brushes with the law. Minor juvenile scrapes can keep a worker from being given a chance at a decent job, even though he may otherwise be completely rehabilitated.

A mistake made during his youth can prove to be a barrier because, rightly or wrongly, prospective employers will tend to err on the side of caution. This can lead to tragic situations, and we are very pleased

to see that this provision is proposed for the Manpower Development and Training Act.

Sections 4 and 5(a)(1) propose to amend the duration of the period over which allowances will be paid, to improve the amount of the allowances by providing an additional $5 per week for each dependent after the second and up to a maximum of four additional dependents, and a minor change in the method of computing the training allowance.

We think the provision regarding allowances for dependents is needed because of the pitiful low level of the basic allowances, and we support it. And the minor change in the method of calculating the regular training allowance is also acceptable.

However, on the matter of the duration of allowances—to move from 20 weeks for basic education plus 52 weeks of actual training, up to a flat 104 weeks—we do have some doubt. We think additional guidance to the administrators of the program would be desirable, or else we may find ourselves in difficulty.

We may, on the one hand, find program administrators who are overly enthusiastic about the possibility of increased basic education who, without regard to the realities of the job situation, subject the trainees to a disproportionate amount of basic education.

On the other hand, and also without regard to the realities of the job situation, we may have the reverse. Given the opportunity for 2 years of occupational training, it is conceivable that program administrators may disturb the orderly operation of apprenticeship programs, fragment the skills of a recognized craft, and help to destroy standards of wages and working conditions that were built up only through long years of hard effort.

We would, therefore, recommend that the 104 weeks be split into two pieces, to provide for up to 52 weeks of basic education plus up to 52 weeks of occupational training. The two types of activity may be given in sequence or given in combination, according to the needs of the individual and the program to which he is enrolled.

But he would still be entitled to 104 weeks or its equivalent. And by "basic education" we mean not mere literacy training, but whatever education-type courses are required as part of the occupational training the worker is undergoing.

Section 5(a)(2) is a change required by the proposed revision in the training allowances and requires no comment.

Section 5(a)(3) proposes the addition of clarifying language and likewise requires no comment.

Section 5(a)(4) would, in effect, permit on-the-job trainees to engage in outside work for up to 20 hours without any reduction in their training allowances. We are in favor of this proposal.

Section 5(b) which would enable trainees to commute to their places of training, and thereby continue to live at home, is a sound proposal and has our support.

Section 5(c)(1) is a minor language change and requires no comment.

Section 5(c)(2) calls for a change in the eligibility requirements for those who are to receive training allowances and is obviously intended to help single persons. In our opinion, it is still rather restrictive and would, for example, deny allowances to an unmarried adult

of, say, 25 or 30 years of age, simply because he lives at home and his father is employed.

It is not difficult to point out the inconsistency involved in seeking to enhance the self-reliance and the independence of youths, through the Manpower Development and Training Act youth allowances, and to deny any assistance to the more mature workers. We believe, therefore, that this amendment ought to be rewritten to take care of this problem that we have mentioned.

Section 5(c)(3) would continue the present 25 percent limitation on the number of youths who may receive Manpower Development and Training Act allowances, except that it grants the Secretary of Labor some discretion for purposes of effective management of the program.

We concur in the continuation of the limitation, for we feel that an adequate portion of the Manpower Development and Training Act program is being directed toward younger people. Furthermore, there are other programs that are also available to provide assistance to our young people.

Sections 5(d) and 5(e) are changes required to bring the language of the paragraphs in line with other proposed amendments and require no comment.

Section 6 is a change required by some renumbering. The subject matter, labor mobility demonstration projects, was discussed earlier and there is no need for any further comment at this point.

Sections 7 and 8 deal with the matter of financing. As we have already explained, we strongly favor a program fully financed by the Federal Government. Therefore, we would not concur in these proposed changes.

Section 9 shifts into the Manpower Development and Training Act the training provisions now in the Area Redevelopment Act and spells out the relationship and authority of the agencies involved. For the most part it appears to be a restatement of the existing practice, and it has our support.

Sections 10 through 14 are, in effect, clarifying amendments which require no comment.

May I in conclusion simply add this word, Mr. Chairman? It was my privilege to work very closely with the War Production Board and the War Manpower Commission during the war, and I cannot praise too highly the effective job that was done in training during the war. That had widespread acceptance because, under the Executive order of the President and the War Manpower Commission, it was incumbent upon the national, the State and local directors of the War Manpower Commission to first bring their project before a labor-management advisory committee.

Those committees functioned effectively, their best advice was given, and you found very few examples of difficulty during the war with respect to training programs or piloting of workers, which was a great trouble at that time.

I think the success of the War Manpower Commission and the labor-management committees was due to the fact of constant involvement of citizens in this program, and I hope that we get the same kind of action in the Manpower Development and Training Act.

Mr. O'HARA. Thank you, Mr. Biemiller.

Without objection, those parts or portions of your statement which were not read will appear as a part of your statement in the record of the hearing.

Mr. Daniels, would you care to comment on Mr. Biemiller's statements, or do you have any questions?

Mr. DANIELS. Yes, sir, I have some questions.

I want to compliment you, Mr. Biemiller, on presenting us with your views which were very, very carefully thought out. I am very interested in your recommendation that the proposed amendment be extended to include the 100 percent Federal financing. Some members of the committee are of the opinion that it would be advisable not to fund this 100 percent federally, but for the States to make some contribution, at least 10 percent, if not more, in order that the States would have a greater interest in the program.

What do you think about that, Mr. Biemiller?

Mr. BIEMILLER. May I refer that question to Mr. Goldfinger, our research department director?

Mr. GOLDFINGER. As we state in our testimony, it is our feeling that because of the national nature of the economy and the mobility of our population that these kinds of programs should be entirely federally financed and that it creates burdens and unfair problems to many of the cities, to workers in cities where the States for one reason or another, good reasons perhaps, lack of financial resources, or perhaps political reasons, may not go along with the 10-percent requirement.

It is for that reason we think a 100-percent federally financed program is essential.

Mr. DANIELS. I take it you think unemployment is more of a national problem than a State problem?

Mr. GOLDFINGER. Yes, sir.

Mr. DANIELS. I think you made a splendid comment over here on page 3 where you recommend that these trainees be paid a salary not less than the minimum wage law, and I think that is a very, very good suggestion which this committee ought to give serious attention to when writing up this bill.

Mr. BIEMILLER. Thank you.

Mr. O'HARA. Mr. Hathaway?

Mr. HATHAWAY. With respect to the matching basis, wouldn't your argument apply to highways as well as to this program? They are a national problem, yet individual States match, or should highways be federally financed 100 percent, too?

Mr. GOLDFINGER. You can make a good case for complete Federal financial for the highways to the extent these highways are interstate. However, the States do make a good deal of money because out of the highways, parts of the highways that run through the States, in a sense these are a part of their resources.

In any case, just looking at the manpower problem, which is what we are examining here now, manpower is a national resource, people are mobile, they move from one State to another and from one area to another.

Unemployment is a national problem as Mr. Daniels indicated. The training problem, therefore, should be viewed as a national problem.

What bothers us, sir, is we may well, even with a 90–10 formula, get a number of States who for various reasons will not go along with the program. This has not occurred on the roadbuilding program. For one reason or another the States have been cooperative.

Thus far, many of the States have indicated, that they will not cooperate in any financing of their share of the Manpower Development and Training Act retraining programs. A number of States may not go along, as I say, even with a 10-percent formula.

That is a penalty placed against the unemployed and low-waged skilled workers and youth in those communities in those States. We think these are unfair penalties imposed on those people for that reason, particularly in the kind of economy in which we live, a national economy which is not split up into 50 State segments.

We think we should have 100-percent financing.

Mr. HATHAWAY. Isn't the matching principle based on just what you said? We do recognize there are a lot of problems in the country that are national problems, and that is why we have matching grants for various States. This is a very liberal one at 90 to 10.

Mr. GOLDFINGER. I agree a 90 percent to 10 percent is better than 50–50, or two-thirds to one-third, there is no difference of opinion among us on that. However, we feel even at a 90–10 basis some States may not go along, and if they don't go along, we will be, therefore, penalizing quite a large group of workers, low-wage, unskilled workers, within States that don't go along.

Furthermore, we raise another problem in our statement. What about a municipality who would like to go along with the Manpower Development and Training Act program even on a 90–10 basis and provide the 10 percent, but where the State refuses, the city cannot go along, and the workers in that State, including the mayor and city officials, would be penalized.

Mr. HATHAWAY. Do you have any figures to indicate how many States will go along on 90–10? Have you made a survey?

Mr. GOLDFINGER. No, we have not, sir.

Mr. BIEMILLER. Actually I think, Mr. Hathaway, there has been a very small number of States that have been willing to go along with the two-thirds and then the 50 percent. Whether the 10 percent would change it, I don't know. As of this moment you have very, very few States that are willing to go along, that have taken formal action to go along at the end of this fiscal year. My last recollection was seven or eight.

Mr. HATHAWAY. Don't you think the 10 percent gives them an investment in the program and keeps up their interest and for that reason is a good idea?

Mr. GOLDFINGER. I would think more States would go along with the 90–10 formula than with a one-third two-third or 50–50 matching. We still run into the problem of those States not going along, though.

Mr. HATHAWAY. Of course, but you run into that problem on any matching program.

Mr. GOLDFINGER. That is true. However, as I indicated on the roadbuilding program, just to view this from a pragmatic viewpoint, in the roadbuilding program the States have gone along, based on special tax revenue, and this has not been a problem.

On the manpower retraining program the State matching issue clearly has been a problem.

Mr. HATHAWAY. Of course, here you have another liberal provision; that is, either cash or in kind. Also, private agencies outside the municipalities or the State can participate, and that helps some, don't you think?

Mr. GOLDFINGER. Yes, sir.

Mr. HATHAWAY. You have raised many other interesting points that I would rather have a longer opportunity to study before questioning you. I appreciate your presentation and enjoyed it very much.

Mr. O'HARA. I have made a few notes and I have two points of clarification, two points of agreement and one point of disagreement to discuss.

Let's start with the easy ones first. At the outset of your statement, you indicate that under the matching provision, State action will be necessary. On page 2, you say that as this legislation is now written any matching program, including any 90–10 matching, would require State action.

You also say that if a State fails to enact the necessary legislation, it would appear that programs within such a State could not be undertaken even if the municipalities were prepared to meet the necessary matching requirements on their own.

You understand, as we do, the matching requirement is for 10 percent non-Federal participation in cash or kind.

Mr. BIEMILLER. Right.

Mr. O'HARA. I wonder if you would clarify that for us. If a municipality or school district, or even a private organization, were willing to provide 10 percent matching in cash or in kind, could it participate in the program?

Mr. GOLDFINGER. My understanding of this issue, Mr. O'Hara, which possibly is wrong, but as I understand this issue, the relationship is between the Federal Government and the State and not between the Federal Government and a municipality or between the Federal Government and a nonprofit institution.

My understanding of this issue is that the municipality or the nonprofit institution within the State can operate in this program only after the State government goes along and takes the appropriate action.

Furthermore, my understanding is that there is no direct link between a municipality or a nonprofit organization and the Federal program unless there is prior State action.

Mr. O'HARA. That is not my understanding, but it raises an interesting question which we are going to have to work out.

I think most of us on the committee would prefer that an organization which wants to undertake a training program, whether it is nonprofit or another group other than a State group, have the opportunity of matching in kind. For instance, if a school system provided equipment and space, that would be considered a contribution "in kind" toward the matching requirements.

I think this is an important question. It might require State legislative authority.

Mr. BIEMILLER. I think this is the question. There is probably a need for State legislative authority in any event. I don't have to tell

members of this committee, because you are familiar with it, the complexities of the educational systems of the several States and so on, and I think it is a kind of clause in your final legislation that would have to be researched and considered very carefully to make sure you are giving the opportunity to these organizations, municipalities, or districts.

Mr. O'HARA. That is a good point. Under the National Defense Education Act, three States have not adopted the rule to take advantage of the Manpower Development and Training Act.

With respect to its use in developing service industries, present employees have an opportunity to upgrade their positions in these industries.

Am I to assume that it would be your intention that an employer or trade association for employers would not be eligible for an OJT program unless they had afforded present employees an opportunity to take part in the OJT program; is that right?

Mr. BIEMILLER. Precisely.

Mr. O'HARA. Would you advocate a requirement that employees be given any kind of preference or equality?

Mr. GOLDFINGER. We hadn't spelled it out that far, but we believe firmly, as we indicated and stated, in the presentation Mr. Biemiller made a little while ago, that an employer who refuses to upgrade regular employees, when the need and opportunity exists, should not be given Manpower Development and Training Act assistance for workers not on his payroll.

The specific circumstances obviously vary. In organizations, with union agreements where collective bargaining exists, the agreements would regulate those circumstances under the terms of the agreement where an employer upgrades his existing work force.

But we believe the existing work force should be given the opportunity to be upgraded and to be moved up before giving training to workers not employed. This is the traditional way in the United States, the way we have upgraded skills of our work force.

People at the bottom and those close to the bottom are upgraded to make room for those coming in.

Mr. O'HARA. I agree that the functions of the manpower development and training program and the Employment Service should be upgraded. We have witnessed some attacks on the Employment Service because it has engaged in placing persons presently employed in better jobs, and this is alleged to be a noneconomic activity. I think it is a distortion of labor economics to so consider it.

Mr. GOLDFINGER. I am glad, sir, you put it as strongly as that, because we feel just as strongly. We feel the function of a manpower policy, as you indicated, should take care of the needs of employed workers as well as unemployed workers, and to provide the opportunity to upgrade the skills and job potential of the entire labor force, both the employed and unemployed.

Mr. O'HARA. I want to agree as one member of the subcommittee with your suggestion that open hearings be conducted on the President's manpower report and the reports of the Secretaries of Labor and Health, Education, and Welfare, which are required by the Manpower Development and Training Act. Those are really very

educational documents, and I don't think they get enough attention from Members of the Congress or the general public.

Your statement with regard to training allowances for single persons is also one with which I heartily concur. This is a matter which I discussed with the Secretary of Labor last week. We have situations where single persons, because of long-term unemployment, are forced to give up their separate maintenance. They may be, as you say, at age 25, 30, or 35. They are forced to give up their separate maintenance and move in with their parents, brothers, or other relatives. Then they become ineligible for training allowances because the head of the household is employed.

I want to point out a serious defect I discovered administratively. Probably there are good reasons for doing so when making up classes, but an attempt is made not to mix in one class people receiving adult training allowances, people receiving youth training allowances, and people receiving no training allowances. It is believed difficulties might arise if people sitting at adjoining desks or working at adjoining benches and doing identical things for the same number of hours per day receive different allowances or no allowance at all.

I discovered that ineligibility for a training allowance is a handicap in gaining admission to a training program, and I think your suggestion is a very important one.

An example of the circumstances I described was brought to my attention by a gentleman from my district. This gentleman moved into his father's home because he was unemployed for a period of time. He wanted to get into a program under the Area Redevelopment Act or Manpower Development and Training Act, I believe Manpower Development and Training Act, for training as a hospital orderly. He had worked in a hospital previously and it was the work he enjoyed more than any other. He felt if he could get that training, he could be placed. However, he wasn't admitted because he wasn't eligible for training allowance.

That brings me to this point of disagreement. Here was a gentleman who, if he had a choice of all the occupations in the world, preferred to work in a hospital. The hospitals are a very low wage industry. I might mention that I have introduced in this Congress, as I did in the last Congress, a bill to remove the low minimum wage standard in certain hospitals and nursing homes.

I don't think you can justify paying substandard wages to employees by saying how beneficial they are to the country. I don't think these exemptions from the Fair Labor Standards Act can be justified. I would like to remove the exemptions from the Fair Labor Standards Act.

I am determined to remove the hospital exemption from the Fair Labor Standards Act. In the meantime I want to stop training people for hospitals because they don't pay the minimum wage. I think we ought to operate with the world the way we find it, and try to correct these substandard wage situations caused by these exemptions.

Mr. GOLDFINGER. We believe there is something wrong in the use of Federal funds to provide a pool of low-wage workers for those kinds of occupations. I mean to the extent this is a Federal program, and it obviously is, there are going to be Federal funds involved here and

we think workers should be trained for these occupations, but not for establishments paying substandard wages.

It is this kind of issue which bothers us very much because to the extent we create such a pool of low-wage workers, with the use of Federal funds, we are running counter to the direction that you indicated a moment ago, and that is counter to the whole basic principle of the Fair Labor Standards Act. And your desire and ours is to eliminate the present exclusions from the Fair Labor Standards Act.

We would like to see those exclusions eliminated just as well as you would, and we would also like to see that Federal funds are not used to perpetuate and spread this kind of condition of low wages, particularly now when we are engaged in a campaign to eliminate poverty.

How can we justify the use of Federal funds where Federal funds are used for training workers for occupations in which they move from being the nonworking poor to the working poor.

One of the most shameful things in the country to us, as we see it, is the existence of working poor. People who work and are still in poverty by the U.S. Government's own definition of poverty with family incomes below $3,000 a year. We think it is wrong and unjustifiable to use Federal funds to perpetuate and spread this kind of condition.

Mr. O'HARA. That is a problem because in many of these low-wage occupations, the weekly wage is borderline poverty, perhaps, because of the way these institutions actually operate.

They aren't covered or subject to the hours provision. They work their employees 48 to 60 hours a week, so if their actual weekly paycheck is about what one would receive making the minimum wage if he were working only 40 hours a week, the employee is receiving far less than the average minimum wage.

I do think there is a certain value to the work. Here we have this unemployed worker who wanted to work in a hospital, in a health occupation. This was his No. 1 occupational goal. I think there is a certain utility to giving him an opportunity to do so.

Mr. GOLDFINGER. May I break in?

Mr. O'HARA. Yes.

Mr. GOLDFINGER. Yes, we agree he should be given the opportunity to be trained to work in that hospital and he should be given the opportunity to work in that hospital, but if the hospital is going to use the resources of the Federal Government to train this worker, then the hospital should be willing to meet the Fair Labor Standards Act minimum wage.

For example, just to follow through on the lack of hours protection, perhaps the worker works 50 hours. We think this is unfair and that he should not be forced to work 50 hours a week, but if he is making something like a dollar an hour or less, which is the case in too many hospitals in this country, he may end up with something like an annual salary of $2,500 a year, which for a family is well below the poverty line described by the President's Council of Economic Advisers.

All too frequently we have found in checking with municipalities that municipal governments are compelled to subsidize low-wage employers with public assistance payments to their employees, because the families can't live on low wages of $2,000, $2,500, or less.

It is that condition of the working poor which bothers us very much.

Mr. O'HARA. I couldn't agree with you more about that. It is my fear that this will result in very little pressure on low-wage employers. They would simply not avail themselves of the training. They have been getting along for many years that way. If I thought putting in this requirement would force wages up in the low-wage industries, I would support it, and enthusiasticaly so. But I am afraid the result will be that these jobs may never be developed, and a lot of unemployed won't go to work.

Mr. GOLDFINGER. We think this is a way of not merely upgrading employees in these low-wage industries, such as hosptials, but it would be a way of attracting people to work in these industries which are essential to the health and welfare of the country.

One of the difficulties in our hospitals, in terms of shortages of nurses and nurse aids and attendants and so on, is the pitifully low wages paid in most of those hospitals.

This is the kind of thing we have found; I know from reading about it, and Mr. Biemiller knows from experience in the War Manpower Commission, that in order to attract people into vitally needed industries, it was necessary to provide wages and salaries which would attract such people into those industries.

Mr. O'HARA. I think this is something which will require some thought by all of us.

Mr. BIEMILLER. As you are aware, Mr. Chairman, by administrative order in various parts of the poverty program, the rate of $1.25 has been established as the absolute minimum that will be paid, and I think this creates a kind of precedent here that is well worth this committee's consideration.

Mr. O'HARA. I think it has merit, but let me give you one more example before we leave the subject: One of the low-wage occupations for which people have been trained in the past came to my attention in connection with a floral arrangement course in Detroit.

I attended the graduation of one of the classes because the instructor was a friend of mine. I was very impressed. This is an occupation where one works 50 or 60 hours a week for about $50 or $60 a week, and it doesn't amount to $1.25 an hour, even with the overtime.

That is as a beginner, of course. After one works awhile, he gets more. Every graduate had been offered a job and had been accepted. The satisfaction these graduates received from their training and from the fact they were going to be employed was something to see.

They would be even more satisfied, of course, if they were being employed at a higher wage.

I met one man who had been a driver of a flower truck for the last 12 or 13 years. His ambition had been to work with the flowers in floral arrangements. He now, because of his training, had that opportunity.

I want to thank you for an excellent statement. It has been a pleasure to hear from you.

Mr. BIEMILLER. Thank you.

Mr. O'HARA. The next witness is Mr. William L. Batt, Jr., Administrator of the Area Redevelopment Administration in the Department of Commerce.

We believe Mr. Batt's testimony will be very valuable because one of the provisions of the bills before us is to bring the ARA work training

programs under the provisions of the Manpower Development and Training Act. We will be very interested in having your opinion, Mr. Batt, on whether the more liberal training provisions of the Manpower Development and Training Act would permit ARA to do a better job in providing workers for new industries in depressed areas.

STATEMENT OF WILLIAM L. BATT, JR., ADMINISTRATOR, AREA REDEVELOPMENT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Mr. BATT. Thank you very much. I would like to introduce Mr. Milton Shore, our Legal Counsel.

I will say initially that I am delighted to be here today and have a chance to testify on the amendments to the Manpower Development and Training Act and I am pleased you had the thrill of being at a graduation and seeing those people.

I have been trying to figure up this morning and I have been to about 10 of these graduations around the country and talked with the trainees and I must say that I don't think there is any program that I have ever been associated with in government that is as thrilling and where the payout is so apparent and so relatively quick. I have encouraged everybody I can and in every way we can, even though we only have consulting responsibilities under the act, I have encouraged everybody to push this kind of training.

We had experience in training in my State before the Federal act was in existence. We are one of the few States in the Union that conducted training programs, which is the reason for my concern about matching of funds. The States generally have not done this and the Federal Government has had to be the prime mover.

In States like yours and mine, unemployment is a critical problem and only in those States have you seen great interest by the State in retraining. In other States you may find heavy pockets of unemployment but it isn't a massive problem for the State as a whole. A matter of real concern therefore is, what interest will the State have, what interest would the vocational educators have.

I remember one of the discouraging experiences I had when this program was first getting underway. I was spending a day with the vocational directors. I found a substantial number at that time—that was 4 years ago—who were quite out of sympathy with the objectives of the act, felt their function was to train younger people and that the older people who needed to be retrained were not their concern.

I think over the years they have seen the possibilities and seen what the programs can do, as you and I have. I would like to think there are 50 States that are going to continue their activities. But we would be exceedingly lucky if there were.

Training is not in the same ballpark as building highways or some of the other programs.

I want to make the point that in the Manpower Development and Training Act amendments, the ARA section would still retain 100 percent Federal financing because the depressed areas of the States sometimes have very little influence in State capitals, and may not be a major portion of the State such as in my State, or a substantial portion as they are in your State, and these areas may get bypassed.

The depressed area is also the hardest place to develop training. It is the hardest place to get people into jobs and the State employment administrator and the State vocational educator under great pressure to keep placements high, tend to overlook these areas.

Where are the places where the greater part of the training is concentrated? They are the big cities with the greatest prosperity so the temptation is to concentrate courses in those areas, unless certain funds are set aside, which in effect can be spent only in, let us say, the mountains of eastern Kentucky rather than Louisville and Lexington, which are exceedingly prosperous, and upper Michigan rather than Flint, where the temptation would be to concentrate training because placement is easier.

This is why I think that although the proposed amendment would put ARA training in the Manpower Development and Training Act, this is set up as a separate section, so that it will have a very distinct identity. The ARA program would not be entirely allocated to the States and left entirely up to the States' initiative as the Manpower Development and Training Act sections would be. Funds would be available for priorities and special needs.

Mr. O'HARA. That is a very good point. There is no change contemplated in the financing provisions of the ARA.

Mr. BATT. The financing and the mechanical provisions of the ARA program would remain the same. ARA training funds have always been in the Department of Labor and HEW and administered through them by State and local employment service and State and local vocational education officials. In that sense, there is no change.

The primary change is in taking advantage of some of the more liberal provisions under the Manpower Development and Training Act legislation without losing the advantages of the ARA programs.

Mr. Chairman and members of the committee, I have a short statement which I would like to read, and then we can expand on any point you would like.

Mr. O'HARA. Please proceed.

Mr. BATT. The Nation's first direct and concerted attack on the problem of chronic unemployment and underemployment on economically distressed areas was initiated through the Area Redevelopment Act of 1961. Today, 4 years later, it is clear to the training people we not only needed a more extensive act, but a better act. The Area Redevelopment Act was designed both to stimulate the expansion of job opportunities in designated areas through a program of financial and technical assistance, and to directly assist the unemployed through training programs to overcome skill deficiencies which act as barriers to employment.

In the past 3½ years of ARA, the inclusion of training as part of the ARA operation has repeatedly demonstrated its usefulness in assisting communities to find the road to real economic recovery.

Very early in our operations we found that one of the important obstacles to economic recovery in the redevelopment areas was the absence of skills needed by many of the industries which would otherwise find these regions suitable for expansion. The problem is particularly severe where the remaining workers, often older than the average, are principally agricultural workers, miners, or similar victims of displacement by industrial decline or automation.

A profile of the approximately 1 million jobless workers, who reside in the 1,100 areas which have been designated during these years, indicates that among them are to be found large groups of older workers displaced by automation or other industrial change; long-term unemployed; the totally unskilled or those who possess only limited agricultural skills; the minority groups; the reservation Indians; and some of the Nation's most economically and educationally deprived.

I remember going to a graduation ceremony where we gave out about 150 diplomas to men displaced because of revolutionary changes in extracting mine ore. Half of the fellows couldn't get trained because they were working on the Cleveland-Pitts nightshift. This is a program which I am sure would have been approved by the AFL-CIO under their agreement with the Cleveland-Pitts Co.

I remember talking to one fellow who was just my age and he thought his working life was ended until he had taken this training course to upgrade his skills. He had learned to operate a bulldozer for which his pay was going to be something like $2.50 an hour instead of $3.50 an hour which he had made as an underground miner, but he felt like a new man with a new lease on life.

The totally unskilled or those who possess only limited skills must be given this opportunity.

The presence of these groups, and their isolation from the mainstream of American economic and industrial life, has made the correction problem of preparing these unemployed or underemployed to reenter the labor force a particularly severe one. However, these groups by no means constitute the entire unemployed population of redevelopment areas. There are other, more easily retrainable groups of unemployed persons who could and would readily benefit if more and better training and new employment opportunities could be provided.

As I have already stated, the inclusion of training as a redevelopment tool was of great importance in our total economic redevelopment program. While the Area Redevelopment Administration was developing and investigating the many proposals which led to well over 500 industrial loans and community loans and grants, and over 400 technical assistance projects, the training programs approved nearly 900 projects covering about 40,000 trainees.

We were able to get started quicker in training which doesn't require vast accumulation of capital and which doesn't require all the work involved in starting an entirely new business or manufacturing industry.

We were able to get started fast and they were able to be completed fast because we only had 16 weeks of training in the program, and very often, too, we were able to do retraining where we weren't able to do anything else, where to this day we have not been able to get industry in.

We were able to train workers for service occupations close by or manufacturing occupations for which they have to commute.

Men and women were trained in approximately 200 skills with more than 70 percent of those completing training placed in gainful employment. Training programs were made available both to fill immediate skilled shortages and to train for the new jobs being developed.

Such programs produced concrete examples to communities that the hard-core, long-term unemployed could be successfully retrained for employment. Their gainful employment added income to economically depressed areas; their transfer from welfare rolls to payrolls lifted burdens from communities, enabling them to participate in economic improvement.

Equally important, these training programs gave the necessary assurances to prospective business firms that an essential labor force could be produced in these areas to coincide with industry's needs. And the fact that 37 percent of the Area Redevelopment Act trainees were from long-term unemployed; that 19 percent were of elementary school education or less; that 13 percent were older workers, 45 or over, is indicative of some of the special measures that were taken in the Area Redevelopment Act program to benefit those groups previously mentioned who were particularly in need of training.

We feel we were successful in hitting the hard-core of the unemployed and not just skimming the cream off the top.

While the administration of the training programs has been the primary responsibility of the Departments of Labor and Health, Education, and Welfare, the Area Redevelopment Administration, legitimately concerned with the overall economic improvement of these areas, has been able to play an active and, we believe, successful role in cooperating with agencies of the Federal, State, and local communities and with business and civic groups, to help produce these results in this program.

We would hope to continue in that role under the legislation now being proposed, which would incorporate the Area Redevelopment Administration training program into the larger and more recent Manpower Development and Training Act, for it is our firm conviction that the long-deprived residents of the hard-core disadvantaged areas of our country still require special attention if they are to become equipped to reenter the labor force and to become self-supporting citizens.

Specifically, the proposed new Area Redevelopment Administration training section (sec. 251) of the Manpower Development and Training Act amendments bill retains the following essential elements which we strongly urge remain intact:

First, one of the important aspects of the ARA training was its availability and flexibility so that it was a useful economic redevelopment tool: training could be planned, tailored and timed in concert with measures undertaken to promote a community's economic growth.

Training was therefore an important asset to communities working toward economic betterment as well as to some of the employers to whom the assurance of a trained labor force when needed was perhaps more important than loan benefits.

While we have joined with the Department of Labor in recommending the inclusion of ARA training in the general Manpower Act, we yet urge the separate identification of ARA training so as to insure that these areas will get the extra assistance which they need to achieve economic health.

These areas contain some of the Nation's most complex manpower problems, representing as they do a combination of scattered job opportunities and long-term unemployed. Unless their special problems

continue to be identified and given special attention, training programs and projects may understandably tend to be directed to the more prosperous areas where job opportunities are more readily available.

This is nobody's fault, it is just human nature to put your training where it is going to be easier.

A dynamic and effective redevelopment program requires prior use of training funds in connection with new employment created by new and expanding firms, those being assisted by ARA as well as others whose special need may lie in an improved labor force.

We are very often able to work up a parlay where the plant's employment is scheduled to go up so a labor force is being retrained at the same time that the machinery is being obtained from elsewhere.

We also urge that the provisions of this section be given consideration and retention; namely:

(A) One hundred percent financing, since these areas, nonproductive at present, require special assistance,

(B) Retention of the previous eligibility provisions so that all unemployed in designated areas are eligible for training and subsistence,

(C) No allocation of the funds appropriated for this section, in order to preserve the immediate availability which has proved a valuable asset to economic redevelopment programs.

In other words, we don't want to be in the position of obtaining an employer to go into Michigan or elsewhere and suddenly finding that the training allocations for that particular State are all run out.

We would like to continue to be in a position to offer a manufacturer the training automatically, which we know we can do today.

Second, the previous authorization of $4½ million for instruction and the 16-week maximum period for subsistence allowances have proved far too limiting in the quantity and quality of training which the designated areas require.

We, therefore, believe it desirable to remove these statutory limitations and to extend the allowable training periods to the same statutory maximums which will be available under Manpower Development and Training Act.

The development of new job opportunities for the unemployed in service industries has always been a major goal of the Area Redevelopment Administration. We have found that in many redevelopment areas there are not only more promising, but also more immediate, opportunities to relieve unemployment by expansion of jobs in service industries than in manufacturing, transportation, mining, agriculture, or construction.

As you know, the proportion of our population working in manufacturing is decreasing compared to the service trades which are rising. We have been after the service trade and I was particularly interested in your discussion of the health occupations, because we found this is true, that hospitals and other institutions are desperately short of workers in health occupations, this is true even in some of the more depressed areas of the Nation; we have been able to retrain miners in West Virginia to be psychiatric aids, for example. Part of the program was to get the State to take part in upgrading these people after their training qualified them to be psychiatric aids.

I agree with you strongly, your feeling that if you were to try to get around some of the requirements, you would close off a number of areas where you could place people, and I would insist, my bias is that I think a job as a mental hospital orderly is better than unemployment.

We are not giving up the fight to improve conditions in the hospitals.

Approximately 21 percent of all Area Redevelopment Act training to date has been in the service occupations. We also have a number of technical assistance projects now underway which involve intensive job development efforts on behalf of the unemployed, and a large majority of the jobs we are discovering are in the service field. One out of every five in training has gone into service occupations.

We have projects in New Bedford—we have technical assistance projects in about a dozen States or cities, make that 15—Los Angeles, San Francisco, Oakland, all the way to Michigan, Wisconsin, West Virginia, Boston, Pittsburgh, New York City; we have no geographic limitations in our technical assistance program and are working to try to develop new jobs in industry and business.

Many of these are in the service occupations, so we are delighted that the administration has come up with this new program and we are anxious to assist the Department of Labor and other interested agencies to carry out the President's new job development program, as expressed in his statement of February 1 and reflected in the proposed new subsection 102(7) of the Manpower Development and Training Act.

Within the Department of Commerce, we will work closely with other bureaus such as the Business and Defense Services Administration to make this program more effective; and in doing so we hope to make full use of the existing Department of Commerce field offices to carry the job development program directly to the business community.

In conclusion, we believe that ARA can, in all modesty, lay claim to its role as a vital and necessary partner in the war on poverty, by generating new jobs in the lagging areas of our economy. Occupational training under ARA, limited though it has been, has demonstrated that the hard-core unemployed, all too frequently abandoned as unemployables, can become productive workers—or, as President Johnson so aptly put it, "taxpayers instead of tax eaters."

With the usefulness of occupational training proven, the proposed amendments to the Manpower Development and Training Act, particularly as they refer to ARA, will enable us in close cooperation with the Departments of Labor and of Health, Education, and Welfare to insure a flexible and improved worker training program to serve the needs of the Nation's economically distressed areas.

Thank you very much, Mr. Chairman. I would be happy to answer any questions.

Mr. O'HARA. Mr. Batt, I think the insight you have given us into this problem has been very valuable, and I appreciate your testimony.

Mr. Daniels?

Mr. DANIELS. No questions.

Mr. O'HARA. Mr. Hathaway?

Mr. HATHAWAY. No questions.

Mr. O'HARA. I want to applaud your enthusiasm for the job development provision of the bill. Some of us on the committee feel that

most, if not all, of the job development proposed by the Secretary and President could be done under the existing provisions of the law. But we also believe that this proposed additional provision in title I gives emphasis and very specific authority to do this, which is probably beneficial.

Mr. BATT. It makes it explicit instead of implicit.

Mr. O'HARA. Exactly, and we think there is an advantage to that.

With respect to training, I am sure you must have encountered instances in which an employer was considering a new plant location, and you have assessed with him the manpower pool in the area, only to discover that for the kind of skills he would need, there is not a sufficient reservoir of skill. And 16 weeks is not long enough to train people in some of the skills he needs for his organization.

Mr. BATT. That is quite true. It is almost a rule, I would say, rather than the exception. What we try to do in such cases is either cut down the amount of training available to just a development entry capacity or try and put the training through under the Manpower Development and Training Act if it is still available in that State.

Mr. O'HARA. I think that is one great advantage of the ARA provision in this bill.

The people who administer these programs under the Manpower Development and Training Act and ARA have said there are many confusions between the two.

They have to differentiate between the skill requirements for the Manpower Development and Training Act or for ARA. I think it would be a helpful administrative step if the kinds of training under the two programs were identical. Do you agree?

Mr. BATT. Yes, I agree with that.

Mr. O'HARA. Thank you very much. I am sorry we kept you waiting, but we were a little late getting underway.

Mr. BATT. I was delighted to do it and I enjoyed hearing Mr. Biemiller's statement.

Mr. O'HARA. We enjoyed hearing from you very much.

The select subcommittee will now recess and meet on Tuesday of next week at 10 o'clock in the morning in this room.

We are scheduled to hear testimony from representatives of industry, including Mr. William Jacobi, Litton Industries, Los Angeles; Mr. Lee Isenberg, Associated Restaurants of Connecticut; and Mr. Algie Hendrix, vice president of General Dynamics in New York City.

(Whereupon, the hearing concluded at 11:40 a.m., and will reconvene Tuesday, February 16, at 10 a.m. in room 304.)

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

TUESDAY, FEBRUARY 16, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10:10 a.m., pursuant to recess, in room 304, Cannon Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara, Daniels, Gibbons, Hathaway, and Quie.

Staff members present: Dr. R. E. L. Knight, Director, and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. The Select Subcommittee on Labor will be in order.

We are resuming hearings today on H.R. 4257, H.R. 4270, and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962.

Our witnesses will be representatives from industry who have been working with the Manpower Development and Training Act, and we are looking forward to having the benefit of their testimony on actual operations under the Manpower Act to help us in our consideration of these bills.

I am going to ask the witnesses if they will form a panel and present their statements in some order, and then be available for questioning by members of the committee.

Mr. David Carlisle is assistant to the president of the Economic Development Division of Litton Industries in Los Angeles. Mr. Algie A. Hendrix is vice president of industrial relations of General Dynamics. Mr. Lee Isenberg is the executive director of Associated Restaurants of Connecticut, Hartford, Conn.

Gentlemen, if you care to either present your statements or summarize them in the order in which you were named, we would be very pleased to hear them. If you choose to summarize your statements, we will, with unanimous consent, have your complete statements printed in the record of the hearing immediately preceding your summary.

Mr. Carlisle, would you identify yourself for the reporter and proceed with your statement?

Mr. Carlisle. I would be very happy to summarize these statements.

Mr. O'Hara. Without objection, Mr. Carlisle's full statement will be printed at this point in the record.

(The statement referred to follows:)

STATEMENT BY DR. WILLIAM J. JACOBI, PRESIDENT, ECONOMIC DEVELOPMENT DIVISION, LITTON INDUSTRIES, BEVERLY HILLS, CALIF.; PRESENTED BY MR. DAVID CARLISLE

Mr. Chairman and members of the subcommittee, it is a distinct pleasure for me to appear before this subcommittee of the House of Representatives.

Before beginning my remarks this morning, it would be appropriate for me to clarify my status as a witness before the subcommittee. I am not an expert on existing legislation in the field of manpower development and training nor am I an expert on legislative revisions embodied in the proposed Manpower Act of 1965. If I am in any way qualified to appear before you on the subject legislation, it is for three simple reasons:

1. The corporation that I represent has broad experience in the field of industrial training, including participation in training programs sponsored under both the Manpower Development and Training Act and the Area Redevelopment Act.

2. The division of this corporation that I direct is involved in a major program of personal development as a prime contractor to the U.S. Office of Economic Opportunity for the management of the Job Corps training center and the conduct of the training program for some 2,000 boys at Camp Parks, Calif.

3. I myself have an abiding interest in contributing to an understanding of the true meaning of manpower development and training and of the fundamental importance of this activity to the national economy. I believe earnestly and sincerely that a basic obligation of American society—Government, business, labor, and the community—is to provide every citizen with the fullest possible opportunity to make a significant contribution to our national well-being.

Please let me introduce myself to you. I am a vice president of Litton Systems, Inc., and president of the economic development division of Litton Industries in Beverly Hills, Calif. As you may know, Litton Industries is a major producer of navigation systems, computers, communications and data systems, business machine equipment, electronic instruments and control equipment, cargo vessels, and nuclear submarines, and a wide range of industrial and professional goods and services ranging from geophysical research and aerial surveying to medical electronics and microwave heating equipment. The corporation is currently doing business at a sales rate exceeding $800 million annually and employs some 48,000 people in more than 100 factories and laboratory facilities throughout the world.

A brief summary of Litton Industries' participation in the Manpower Development and Training Act and Area Redevelopment Act training programs follows.

Litton Industries has trained several hundred individuals under the Manpower Development Training Act to date. This number includes approximately 50 graduates of a precision micro-miniature instrument assembly course conducted by Litton in cooperation with the Los Angeles city school system and the California department of employment during 8 months in 1963. Our guidance and control division operation, Lubbock, Tex., has trained more than 60 electronic assemblers in a program which began last July in cooperation with the Lubbock public schools and the Texas employment commission, and which is still continuing.

The Manpower Development Training Act programs are only a part of Litton's participation in joint community training ventures. Under the Area Redevelopment Act, Litton began an electronic assembly training program in Duluth, Minn., in 1962. This program was carried out in cooperation with the Duluth Vocational Training School, the State department of employment, security, and education; and Area Redevelopment Act. Trainees were former shipyard and iron workers, lumbermen, and unemployed women. Eleven hundred individuals were trained in this program.

In 1961, Litton participated in a large-scale training program in California's San Fernando Valley which proved to be a model for numerous similar programs in the Los Angeles area, throughout the State of California, and in other States after the Manpower Development and Training Act of 1962 was passed. This program was a joint community effort aimed at reducing unemployment in a depressed area, while at the same time providing specialized and concentrated training in skills of a demand occupation—that of electronic assembly.

This effort was known as the Reseda Adult School electronic production techniques program. It involved Litton's participation with the public school system

and the California Department of Employment in conducting a 60-hour course for the basic skills required of an electronic assembler. During the 22 months that this program was conducted, 2,200 trainees began the course, approximately 1,700 completed the course, and between 1,400 and 1,500 graduates found employment in the electronic industries of the surrounding area.

The economic development division is a relatively new business venture of Litton Industries in the field of service to the community—Federal, State, and local. The division undertakes programs for business, industry, and Government both in the United States and in other countries. Examples of typical programs which are being undertaken include the following: manpower development and training, behavioral technology, education, medical technology and advanced health care systems, community development, urban planning, public works, communication systems, transportation systems and traffic control, environmental control, energy and natural resources utilization, oceanographic systems, arms control and disarmament, and natural disaster control. A fundamental precept of the operation of the division is to apply the "systems approach" as successfully utilized in dealing with large, complex problems of national defense and space exploration to larger, more complex problems of everyday living. We are particularly emhpasizing the orientation of the systems approach to people rather than to hardware.

Some of you will wonder what the term "systems approach" means. The systems approach involves more than the application of a multiplicity of professional disciplines—although this is of vital importance. It involves the identification of objectives, the setting of specific performance goals, the creation of organized approaches toward the objectives, the application of logic and analysis as formalized tools for developing methodologies for achieving these objectives, and the measurement of actual results achieved in relation to the specified goals. The systems approach is, in effect, a problem-solving capability of a highly sophisticated order.

We feel that the systems approach—however it may be defined—is a powerful tool for analyzing (and, eventually, for solving) problems of everyday living and particularly those problems involving human behavior and/or affecting people.

Now, how does this discussion in any way relate to the Manpower Act of 1965?

Consider for a moment the functioning of any business enterprise. The basic business functions are (1) to produce goods and/or services and (2) to market them in a financially viable manner. In any business enterprise, it is necessary either to employ people who are equipped to perform these two basic functions or to train people to become so equipped. In the final analysis, there is a third basic business function: (3) to continually train people to become equipped with vocational skills essential to the conduct of the business. When we describe the operation of Litton Industries and its economic development division in terms of business enterprise, we are really stating in a fundamental way how thousands of people—managers, professionals, technicians, and laborers; skilled, semiskilled, and unskilled; men and women; thinkers and doers—apply the sum total of their individual efforts toward achieving the corporation's goals and objectives.

Now, consider the various elements of the activity the members of this subcommittee are considering: manpower development and training. The purpose of manpower development and training is to make people self-reliant, capable, mature individuals who have passed the threshold of what we might refer to as functional citizenship.

What is a functional citizen?

A functional citizen is a person who is capable of and motivated toward performing a useful role in society.

All of us recognize that there are three dimensions to manpower development and training: (1) motivation, (2) education, and (3) training.

Figure 1 is a graphical representation of the manpower development and training activity and the functioning of a business enterprise. The interesting fact illustrated here is that the two activities can be considered to be related in a very basic way—through training, an important element for success in both activities.

Now, if you will permit me, let me present some views that I hold concerning manpower development and training per se.

First, I believe that Americans must become better equipped to serve the Nation and themselves. This fundamental thesis has been stated time and again but we fail to grasp its basic import. As recently as November 1960, the Com-

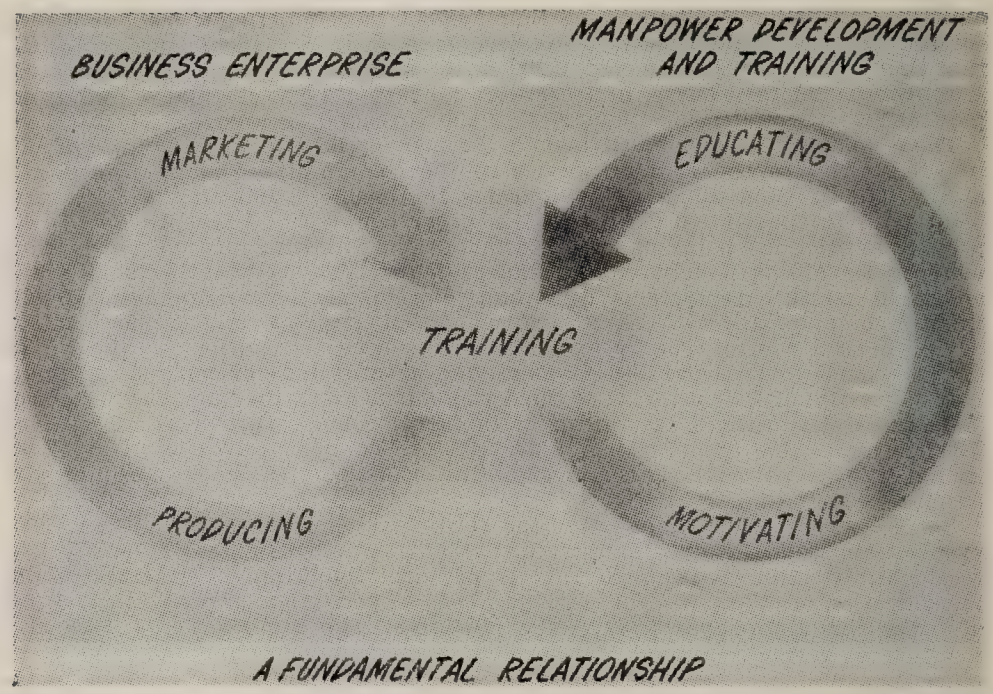

FIGURE 1

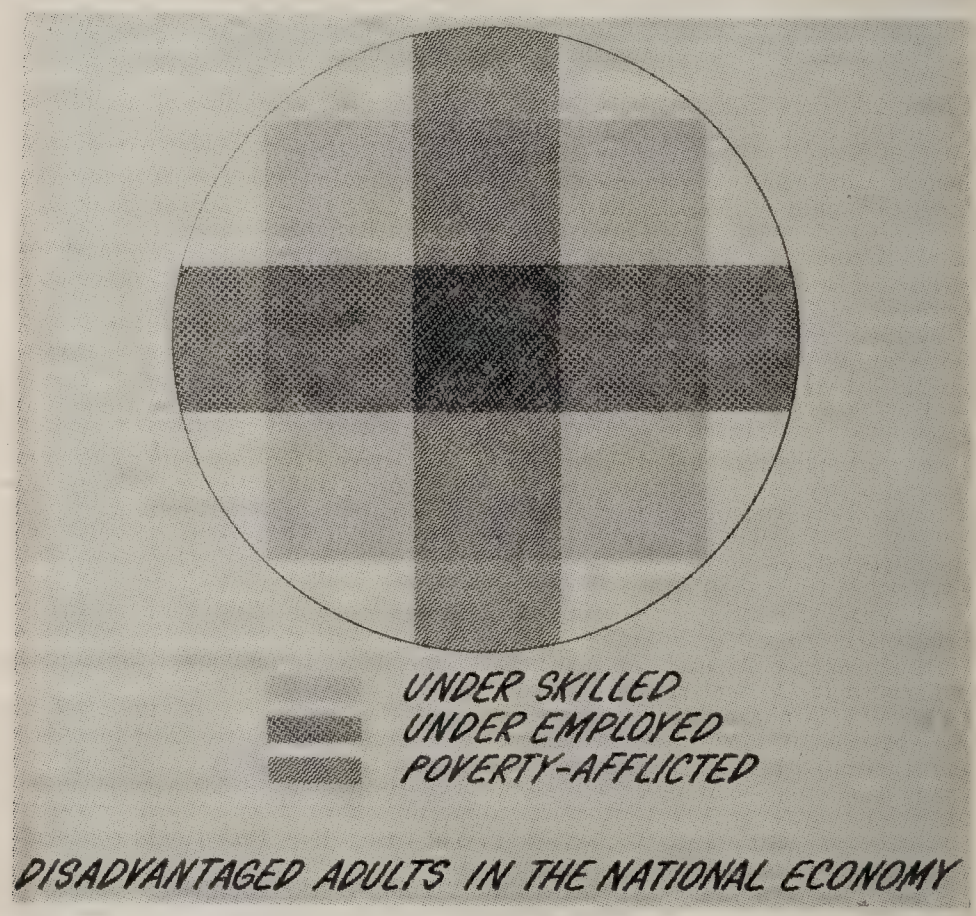

FIGURE 2

mission on National Goals appointed by former President Eisenhower stated in the opening paragraphs of their report:

Goals for Americans:

"The paramount goal of the United States was set long ago. It is to guard the rights of the individual, to insure his development, and to enlarge his opportunity * * *.

"Our enduring aim is to build a nation and help build a world in which every human being shall be free to develop his capacities to the fullest. We must rededicate ourselves to this principle and thereby strengthen its appeal to a world in political, social, economic, and technological revolution * * *."

Millions and millions of underskilled Americans constitute the hard core of two other disadvantaged segments of the national economy, (1) those who are underemployed (either unemployed or employed at a level significantly below their actual capacities) and (2) those who are afflicted by poverty. Figure 2 is a schematic representation of these three broad classes of disadvantaged Americans, showing their relationship one to another.

The full circle represents the millions of adults in the Nation. The inner square represents the millions of underskilled adults, the square symbolizing that there are adults with underdeveloped skills among all ethnic groups and in all parts of the Nation. The horizontal band represents the millions of underemployed adults, the band symbolizing either the active influence or lingering effect on full employment of such factors as racial or religious discrimination, social and ethnic groupings into "accepted" types and categories of employment, etc. The vertical band represents the millions of poverty afflicted adults, the band symbolizing the geographical influence on economic well-being of such factors as concentration of defense and aerospace industries in various areas of the Nation, relocation of basic industries in areas offering competitive advantages, and emergence of distressed areas and depressed regions. The square (of underskilled) adults itself reflects the shaping influence of these latter factors as well.

The relationships illustrated in the figure suggest why, even in 1965, it is possible for this Nation to experience widespread poverty and serious unemployment. They also illustrate why it is vital to the national interest that programs such as those already in being under existing Manpower Development and Training Act legislation be continued and why programs to be undertaken under provisions now proposed in the Manpower Act of 1965 be initiated.

Second, I believe that Americans must become better equipped to serve the Nation and themselves in an age of automation. One argument holds that automation will displace millions of unskilled laborers and semiskilled technical workers. Another argument holds that automation will create millions of new job opportunities for the highly skilled.

What is not generally recognized is that both of these arguments are essentially correct. The question is not so much whether automation leads to unemployment or creates job opportunities, but rather what can be done to match the surplus of low skills with the demand for higher skills.

The answer, of course, is to upgrade the general level of skills. There is little justification for massive training efforts to develop new specialized skills unless the level of newly acquired skills is consistent with the demands of an advancing technology. Training the individual with underdeveloped skills in a specialized skill today merely begets the need for retraining him in another specialized skill tomorrow—this is a fundamental problem. The accelerating technological pace of contemporary industrial development increases the frequency of the training-retraining cycle. The fundamental problem is serious enough on the basis of frequency of the training-retraining requirements for advanced technological skills.

Third, I believe that Americans must become better equipped to serve the Nation and themselves in an age of automation by enlisting the services of industry and labor (in full cooperation with Government agencies) as planners and doers of the national program of manpower development and training.

There is a recognized goal of upgrading the skill level of adult Americans significantly. National interests demand that we meet this need now.

In existence is an established system and a formalized process for imparting the required skills. And yet we continue to fall further and further behind in terms of (1) acquired skills measured against required skills, (2) numbers of prepared adults compared to total numbers of adults, and (3) realized opportunities for industrial manpower advances versus actual op-

portunities. We are faced with an apparent dilemma—we must accelerate the rate of acquiring new skills that continually become more difficult to assimilate.

Manpower development and training—systems analysiswise—contains four basic subsystems: (1) the underdeveloped adult, (2) the instructor, or educator or counselor, (3) the required attitude, knowledge, or skill, and (4) the means for transmitting the required capability to the underdeveloped adult.

Traditionally, the means for transmitting attitudes, knowledge, or skills has been through the efforts of the individual counselor, teacher, or instructor and through the utilization of conventional textbooks. Today we are discovering that the primary means for transmitting attitudes, knowledge, or skills need not be another human being. Sometimes machines presenting programed instructional material (information organized in a prearranged manner so that it is logically structured according to the needs, abilities, and interests of the student) can help people acquire attitudes, knowledge, and skills. Nearly always, qualified humans using various teaching aids or, conversely, teaching machines and programed instructional material used in conjunction with outstanding counselors, teachers, or instructors, can teach people most effectively.

Any personal developmental process should be suited to the student's capacity for learning; to the instructors ability to teach; and to the attitude, knowledge, or skill to be acquired.

And now we come to a complete expression of manpower development and training systemswise. Because we recognize the three dimensions of manpower development and training—motivation, education, and training—we tend to emphasize in the conventional approach those functions associated with acquiring the requisite types and levels of skills.

Generally, we tend to overlook what is really a fourth dimension of manpower development and training and what may indeed be the most important factor in the equating of man to job: determining those types of job opportunities that really will exist at this point in time when the individual has acquired a given skill.

We must begin to apply professional analysis and a high order of forward vision to the nature of the future job market and the developing trends in employment. Otherwise, we shall experience the frustration born of doing a good job in a training sense only to learn that the nature of the demand for the skill has itself changed and that the people we have intended to equip with new job skills are actually equipped with obsolete job skills.

Perhaps we should apply the systems approach to the entire manpower development and training problem—i.e., acquiring skills and acquiring them in actual relation to the developing demands of the national economy.

Perhaps, utilizing the systems approach, we should begin to cope with the combined problems of—

1. Growth in population, particularly involving young Americans who are entering the job market for the first time.
2. Applications of automation in everyday living, emphasizing the effect of increased unit productivity.
3. Rapid changes in technology, resulting in new demands for skills.
4. Unemployment, recognizing its basic nature and factors contributing to its lingering effects.

Perhaps we need to do some fundamental research into such important areas as the nature of work itself, basic human behavior, and the nature of adult learning processes. Perhaps we need to undertake innovative experiments designed to develop advanced methods of instruction and effective methods of measuring and demonstrating the effectiveness of these new methods. Certainly we need a good deal of creative thinking and innovative doing in bringing new meaning to lives of millions of disadvantaged Americans. Certainly we need to develop new methods for bringing these Americans into the mainstream of American life as useful and productive citizens.

Because it is clear to me that fundamental advances can and must be made in directions such as these, I heartily endorse two amendments proposed in the Manpower Act of 1965. First, I believe that by removing the $3 million ceiling on title I of the act, desirable and necessary expansion should be made in the areas of manpower research. As the Secretary of Labor has already testified, "Advancing the frontiers of knowledge is as important in the area of manpower policy as in the physical sciences." Second, I believe that specific authority should be incorporated in title I of the act for a program of experimental,

developmental, and demonstration projects to be financed through grants and contracts, the effect of placing such authorization in title I being to free the experimental program from matching and apportionment requirements by the various States.

Finally, I believe that through the sincere interest and selfless efforts of dedicated legislators such as you gentlemen of this subcommittee, all of us, as citizens of the United States, will realize a fuller national expression of full opportunity for all.

Thank you.

Mr. O'HARA. Will you please identify yourself and proceed with your statement, Mr. Carlisle.

STATEMENT OF DAVID CARLISLE, ASSISTANT TO THE PRESIDENT OF THE ECONOMIC DEVELOPMENT DIVISION, LITTON INDUSTRIES, LOS ANGELES

Mr. CARLISLE. Mr. Chairman, members of the subcommittee, my name is David Carlisle and I am assistant to the president of the Economic Development Division of Litton Industries in Los Angeles, Calif.

Gentlemen, it is a distinct pleasure to appear before you this morning on the Manpower Act of 1965. As you will note, I am appearing in behalf of Dr. William Jacobi, president of the Economic Development Division of Litton Industries, and he has specifically authorized me to appear for him.

Regretfully Dr. Jacobi is out of the country and on his way to Brussels, Belgium, and from there to the continent of Africa. He regrets he will not be able to appear.

Dr. Jacobi is not an expert on the existing field of manpower development and training nor an expert on the proposed revisions. However, Dr. Jacobi feels he is qualified to appear for three reasons: one, the corporation he represents and I represent, Litton Industries, has a broad background of experience in industrial training participation in both Manpower Development and Training Act programs and training under the Area Redevelopment Act development program.

Two, the division he directs and which I am a member of is involved in a major program of personal development as a prime contractor to the U.S. Office of Economic Opportunity for the management of the Job Corps Training Center and the conduct of the training program for some 2,000 boys at Camp Parks, Calif.

Three, Dr. Jacobi has an abiding interest in contributing to an understanding of the true meaning of manpower development and training and of the fundamental importance of this activity to the national economy.

You might be interested at this time in a brief summary of Litton Industries' particiaption in the Manpower Development and Training Act and Area Redevelopment Act training programs. Litton Industries has trained several hundred individuals under the Manpower Development and Training Act to date. This number includes approximately 50 graduates of a precision microminiature instrument assembly course, conducted by Litton in cooperation with the Los Angeles City School System and the California Department of Employment during 8 months in 1963.

Our guidance and control division operation in Lubbock, Tex., has trained more than 60 electronic assemblers in a program which began

last July in cooperation with the Lubbock public schools and the Texas Employment Commission. This program is still continuing.

The Manpower Development and Training Act programs are only a part of Litton's participation in joint community training ventures. Under the Area Redevelopment Act Litton began an electronic assembly training program in Duluth, Minn., in 1962. This program was carried out in cooperation with the Duluth Vocational Training School, the State department of employment, security, and education; and with the Federal Area Redevelopment Act program.

Trainees were former shipyard and iron workers, lumbermen, and unemployed women; 1,100 individuals were trained in this program.

I would like to turn now to another program of Litton. Starting in 1961, Litton participated in a rather large-scale training program in California's San Fernando Valley which proved to be a model for numerous similar programs in the Los Angeles area, throughout the State of California, and in other States after the Manpower Development and Training Act of 1962 was passed.

The program referred to here was a joint community effort aimed at reducing unemployment in a depressed area, while at the same time providing specialized and concentrated training in skills of a demand occupation, that of electronic assembly.

This effort was known as the Reseda Adult School electronic production techniques program. It involved Litton's participation with the public school system and the California Department of Employment in conducting a 60-hour course for the basic skills required of an electronic assembler.

During the 22 months that this program was conducted, 2,200 trainees began the course, approximately 1,700 completed the course and between 1,400 and 1,500 found employment in the electronic industries of the surrounding area.

One interesting fact about this particular program and the quality of the training imparted to the participants is that some of the participants in this program were employed in California, a good number remain employed there, and other people trained prior to them are no longer with the companies now.

You might conclude the employees going through the program evidenced a greater skill assimilation than people in our other companies who have been trained differently.

I would like to tell the subcommittee something about Litton's Economic Development Division. This is a relatively new business venture of Litton Industries in the field of service to the community—Federal, State, and local.

This division was recently formed to apply the "systems approach" to people-oriented problems.

The division is undertaking programs in the area, first of Manpower Development and Training, behavioral technology, education, medical technology and advanced health care systems, community development, urban planning, public works, communication systems, transportation systems and traffic control, environmental control, energy and natural resources utilization, oceanographic systems, arms control and disarmament, and natural disaster control.

A fundamental precept of the operation of the division is to supply the "systems approach" as successfully utilized in dealing with large,

complex problems of national defense and space exploration to larger, more complex problems of everyday living.

We are particularly emphasizing the orientation of the systems approach to people rather than to hardware.

How does this discussion in any way relate to the Manpower Act of 1965? Well, let us consider for the moment the functioning of any business enterprise. The basic business functions are, one, to produce goods and/or services and, two, to market them in a financially viable manner. In any business enterprise it is necessary either to employ people who are equipped to perform these two basic functions or to train people to become so equipped.

In the final analysis, there is a third basic business function and, that is, to employ people who are skilled or train them to the requisite skill level. The function might be considered to be to continually train people to become equipped with vocational skills essential to the conduct of the business.

So, when we describe the operation of a company such as Litton Industries and its economic development division in terms of business enterprise, we are really stating in a fundamental way how thousands of people, managers, professionals, technicians, and laborers; skilled, semiskilled, and unskilled; men and women; thinkers and doers—apply the sum total of their individual efforts toward achieving the corporation's goals and objectives.

Let us consider the various elements of the activity the members of the subcommittee are considering: manpower development and training. The purpose of manpower and development training is to make people self-reliant, capable, mature individuals who have passed the threshold of what we might refer to as functional citizenship.

What is a functional citizen?

A functional citizen is a person who is capable of and motivated toward performing a useful role in society. There are three dimensions to manpower development and training: (1) motivation, (2) education and, (3) training.

So we come again to the term "training" which is a fundamental ingredient for success in a business enterprise.

The point I am attempting to make here is that the operation of a business enterprise as related in a very fundamental way to the activity in manpower development and training.

Dr. Jacobi would make several points, as fundamental inputs, and would recommend them to the subcommittee for their consideration at this point. First, he believes Americans must become better equipped to serve the Nation and themselves. We have all heard this fundamental thesis. It was stated recently by the Commission on National Goals, appointed by former President Eisenhower in 1960. I would like to read to this subcommittee extracts from the report of this Commission.

> The paramount goal of the United States was set long ago. It is to guard the rights of the individual, to insure his development, and to enlarge his opportunity. * * *
>
> Our enduring aim is to build a nation and help build a world in which every human being shall be free to develop his capacities to the fullest. We must rededicate ourselves to this principle and thereby strengthen its appeal to a world in political, social, economic, and technological revolution. * * *

We might consider disadvantaged Americans to fall into three general classes: (1) those who are underskilled; (2) those who are underemployed; that is, unemployed or employed at a level significantly below their true capacity; (3) those afflicted by poverty.

Figure 2 on page 7 following these remarks is a chart of these three broad classes of disadvantaged Americans and shows their relationship one to another. If you will refer to the figure, you will see that the full circle represents the millions of adults in the Nation. The inner square represents the millions of underskilled adults, the square symbolizes that there are adults with underdeveloped skills among all ethnic groups and in all parts of the Nation.

The horizontal band represents the millions of underemployed adults, the band symbolizing either the active influence or lingering effect on full employment of such factors as racial or religious discrimination, social and ethnic groupings into "accepted" types and categories of employment.

The vertical band represents the millions of poverty-afflicted adults, the band symbolizing the geographical influence on economic well-being of such factors as concentration of defense and aerospace industries in various areas of the Nation, relocation of basic industries in areas offering competitive advantages, and emergence of distressed areas and depressed regions.

The square, showing underskilled adults, reflects the shaping influence of these latter factors as well.

Secondly, Dr. Jacobi believes Americans must become better equipped to serve the Nation and themselves in an age of automation.

Thirdly, they must become better equipped to serve the Nation and themselves in an age of automation by enlisting the services of industry and perhaps labor as planners and doers of the national program of manpower development and training.

Why does Dr. Jacobi feel this latter point concerning the participation of industry and labor as planners and doers is necessary in a national program of manpower development and training in cooperation with governmental agencies Federal, State, and local? I think the answer to that is illustrated by the fundamental purpose of the company I represent. We feel that the systems approach which we are attempting to pioneer in application to industrial and Government problems might well be applied to the area of manpower training and development itself.

Continuing from a systems standpoint in manpower training and development, we would conclude that manpower development and training is not only acquiring skills, but acquiring them in actual relation to the developing demands of the national economy.

Perhaps we need to do some fundamental research into such important areas as the nature of work itself, basic human behavior, and the nature of learning processes. Perhaps we need to enlarge the original activity itself and certainly we need to devote more effort to fitting people with requisite skills into their proper niche n the natonal economy.

Finally, Dr. Jacobi believes that through the sincere interest and efforts of dedicated legislators such as you gentlemen of this sub-subcommittee, all of us as citizens of the United States will realize a fuller national expression of full opportunity for all.

Thank you very much, Mr. Chairman.

Mr. O'HARA. Thank you very much, Mr. Carlisle.

Mr. Hendrix, would you care to read or summarize your statement?

Mr. HENDRIX. I would like to summarize. I have what I believe to be a succinct report of actual experience of primary vestibule-type training. I think I can conserve time by going through and summarizing.

Mr. O'HARA. Without objection, Mr. Hendrix's full statement will be entered at this point in the record.

(The statement referred to follows:)

STATEMENT BY ALGIE A. HENDRIX, VICE PRESIDENT, GENERAL DYNAMICS, NEW YORK

Mr. Chairman and members of the committee, I am Algie A. Hendrix, vice president of the General Dynamics Corp. in New York City.

We in General Dynamics have utilized the provisions of the Manpower Development and Training Act program in several of our divisions. I welcome this opportunity to share some of our experiences with the program and to talk about some of the things we've learned as we gained experience in this activity.

Our experience with the Manpower Development and Training Act has, with the exception of a recent very small pilot on-the-job program, been limited to "vestibule" type training. This type of training, as you know, is intended to prepare people to gain entrance jobs—it is an icebreaker; the beginning of a training sequence and not an end in itself.

My remarks today are based on our contacts with almost 1,600 people we employed as they graduated. You will note that we do not "capture" all graduates. There is, of course, no obligation on the trainee's part to accept employment with us. A significant number of graduates do, in fact, go into other major companies or small local shops.

In addition to the completed courses, we have 2 programs now in being which will involve over 600 people, and in locations as widely separated as Connecticut and Oklahoma.

Our first experience with the Manpower Development and Training Act came early in 1963 at our electric boat division in Groton, Conn., where 1,014 people have completed this training. This program covered such skills as welding, electrical work, machine shop, pipefitting, sheet metal work, and shipfitting. We employed 90 percent of those who have graduated—901 people.

Another program covering these same skills is again underway at Groton. In this effort, 151 people have completed courses, and we plan that the total program will turn out 564 graduates. We expect to achieve at least the same 90 percent employment rate that we netted in the 1963 program.

At another of our divisions, between August and December 1963, 545 people were trained in Fort Worth, Tex. Here, the skills covered were machine shop practice, templatemaking, and tool design. Of the 545 who completed courses we employed 380, and we understand the majority of the other graduates were employed elsewhere in the area.

In still another General Dynamics operation—this a small fabricating plant in Oklahoma—there are 37 people now being trained in blueprint reading, light assembly, and general shop practices. We will employ these graduates very soon, and another class for 20 people is planned.

In all these programs we have found that close cooperation between our own people and all local agencies who can make a contribution pays off. As the potential employer, we share responsibility for all steps of the program with Federal, State, and local agencies.

The basic steps followed in our programs are—

Step 1, determine the needed skills.—We feel this is our basic responsibility as the employer. Once skills have been identified, Federal and State employment services have the responsibility for determining that the needed skills are not available without the expenditure of Manpower Development and Training Act funds. This step, therefore, first defines the skills and then verifies the need for the expenditure of funds.

Step 2, develop the training programs.—This, of course, involves determining course content, the facilities needed, instructor requirements, etc. Here, we find it is mighty important, however, to utilize the resources available from State departments of education, local vocational schools, or junior colleges.

At our Fort Worth division, for instance, a local public trade school (the Technical Institute of Fort Worth) prepared course outlines, proposed faculty and equipment requirements, recruited the faculty, and conducted the actual training.

The work of the technical institute was coordinated by a committee comprised of:

The local State employment service manager; the local head of vocational education; a State apprenticeship representative; and the local representative of the Federal Bureau of Apprenticeship and Training.

Now, here is an example of mutual effort between ourselves as the employer, local schools, State representatives, and Federal Government people.

Another example of teamwork in the community is illustrated at a small facility we have in Oklahoma. Here, the city government furnished the building, the Manpower Development and Training Act funds supplied tools and materials, we supplied instructors, and a local city school principal acted as overseer for matters of attendance and procedures.

This total community involvement, we find, promotes acceptance of the program, enables us to utilize existing skills and facilities, and prevent needless duplications.

Step 3, establish selection criteria for the trainees.—In all of our locations where we have participated in Manpower Development and Training Act activities, we have found that State employment services have been able to provide professional staff people who are made available to set up test batteries, determine critical scores, and provide other screening services. This has involved visits to our plants and on-the-job studies to make sure that selection methods would most nearly match our job requirements.

Step 4, recruitment and selection.—Our experience clearly shows that State employment service people can carry a major part of this responsibility. The low failure and dropout rate we have experienced testifies to the effectiveness of the State employment agencies in this activity.

Step 5, actual training.—The schools are set up as miniature factories or shops and there is lots of actual job practice, with emphasis on a factor that is mighty important to new workers—job safety. Classroom training covers such subjects as shop mathematics and blueprint reading.

Classes in these schools are set up so that each instructor is responsible for approximately 15 trainees. This provides for individual attention to each student and for close supervision over the development of good work habits. These instructors were, in some cases, drawn from our own employees while others came from local faculties.

Step 6, student evaluation.—As the training continues, each student's progress is evaluated by the agency conducting the training. Here again, it is most important that the potential employer participate in this evaluation process. Our representatives visit the schools and observe activities on a regular basis. We feel we are responsible for sharing in the solution of problems as they arise and in the student evaluation process.

This is where careful screening and selection pays dividends. Our experience indicates that failures and dropouts should and can be below 10 percent.

Step 7. The final, and most rewarding step in the whole program is graduation and successful employment. Here our experience has been most favorable, both in terms of the number of trainees we were able to employ and in the quality of their work. In our first Manpower Development and Training Act program in Connecticut we found, for instance, that 77 percent of the welding trainees qualified to the basic Navy Bureau of Ships standards. This testifies to the design and scope of the curriculum and to the aptitude and readiness of those who participated.

Speaking of the recent trainee group at our electric boat division, the manufacturing vice president said in a recent staff meeting, and I quote him, "these new people have blended into our production effort with very little interruption and it looks as though we'll have a very small turnover. They are particularly safety-conscious."

At our Fort Worth division one of the machine shop foremen said "They represent the best qualified group of newly hired employees we have had." Typical of those completing training at Fort Worth were:

In one case, a 26-year-old formerly unemployed railroad switchman who completed the 360-hour machine shop practices course and is employed as a machine operator in our tooling department.

In the second case, a 19-year-old former grocery stock clerk who completed the machine shop practices course and is employed in our machine shop, also as a machine operator.

At least in our experience, this program works because it brings together our resources as an employer with all the help available in Federal, State, and local agencies, all working to solve a common problem.

Mr. O'HARA. Mr. Hendrix, please identify yourself and proceed with your statement.

STATEMENT OF ALGIE A. HENDRIX, VICE PRESIDENT, GENERAL DYNAMICS, NEW YORK, N.Y.

Mr. HENDRIX. Mr. Chairman, members of the committee, I am Algie A. Hendrix, vice president of the General Dynamics Corp. in New York City.

We in General Dynamics have utilized the provisions of the Manpower Development and Training Act program in several of our divisions. I welcome this opportunity to share some of our experiences with the program and to talk about some of the things we've learned as we gained experience in this activity.

Our experience with Manpower Development and Training Act has, with the exception of a recent very small pilot on-the-job program, been limited to vestibule-type training. This type of training, as you know, is intended to prepare people to gain entrance jobs—it is an icebreaker; the beginning of a training sequence and not an end in itself.

My remarks today are based on our contacts with almost 1,600 people we employed as they graduated. You will note that we do not "capture" all graduates. There is, of course, no obligation on the trainees part to accept employment with us. A significant number of graduates do, in fact, go into other major companies or small local shops.

In addition to the completed courses, we have 2 programs now in being which will involve over 600 people, and in locations as widely separated as Connecticut and Oklahoma.

Our first experience with the Manpower Development and Training Act came early in 1963 at our electric boat division in Groton, Conn., where 1,014 people have completed this training. This program covered such skills as welding, electrical work, machine shop, pipefitting, sheet metal work, and shipfitting. We employed 90 percent of those who have graduated—901 people.

Another program covering these same skills is again underway at Groton. In this effort 151 people have completed courses, and we plan that the total program will turn out 564 graduates. We expect to achieve at least the same 90 percent employment rate that we netted in the 1963 program.

At another of our divisions, between August and December of 1963, 545 people were trained in Fort Worth, Tex. Here, the skills covered were machine shop practice, template making, and tool design. Of

the 545 who completed courses, we employed 380, and we understand the majority of the other graduates were employed elsewhere in the area.

In still another GD operation—this, a small fabricating shop in Oklahoma—there are 37 people now being trained in blueprint reading, light assembly, and general shop practices. We will employ these graduates very soon, and another class for 20 people is planned.

In all these programs we have found that close cooperation between our own people and all local agencies who can make a contribution pays off. As the potential employer, we share responsibility for all steps of the program with Federal, State, and local agencies.

The basic steps followed in our programs are:

At this point I would like to say we do not say anything for these particular steps except that they have worked in our situation in this broad geography spread across the country.

Step 1, determine the needed skills: We feel this is our basic responsibility as the employer. Once skills have been identified, Federal and State employment services have the responsibility for determining that the needed skills are not available without the expenditure of Manpower Development and Training Act funds. This step, therefore, first defines the skills and then verifies the need for the expenditure of funds.

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available to set up test batteries, determine critical scores, and provide other screening services. This has involved visits to our plants and on-the-job studies to make sure that selection methods would most nearly match our job requirements.

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At least in our experience this program works because it brings together our resources as an employer with all the help available in Federal, State, and local agencies—all working to solve a common problem.

Thank you.

Mr. O'HARA. Thank you very much, Mr. Hendrix. If you will wait for a while, we will get to the questions.

Our next witness is Mr. Lee Isenberg, executive director of the Associated Restaurants of Connecticut, in Hartford.

If you prefer, Mr. Isenberg, we will have your statement inserted in the record and permit you to summarize.

Mr. ISENBERG. That will be fine with me.

Mr. O'HARA. Without objection Mr. Isenberg's statement will be made a part of the record at this point.

(The statement referred to follows:)

STATEMENT OF LEE ISENBERG, EXECUTIVE DIRECTOR, ASSOCIATED RESTAURANTS OF CONNECTICUT, HARTFORD, CONN.

SUMMARY

A. OVERALL RECOMMENDATIONS

1. On-the-job apprenticeship training programs, particularly association OJT projects, should receive a higher priority on existing and future Manpower Development and Training Act funding because:

(*a*) Enjoying the confidence of industry members, association personnel can more easily pinpoint and develop specific job openings. Furthermore, selected applicants for these apprenticeship openings are guaranteed these jobs before they enter a brief school period.

(*b*) The new "instructor-coach" method used in Manpower Development and Training Act-BAT assisted projects can maximize the learning potential of culturally deprived individuals; i.e., 45 percent of our apprentices are Negroes or Puerto Ricans. Today, after 10 months of OJT, apprentices earnings range $75 to $110 per week. Successful apprenticeship program graduates are assured by the association a minimum annual salary of $7,000 as first cooks or future chefs.

(*c*) Association OJT apprenticeship programs can create vast numbers of new apprenticeship job opening by helping small- and medium-sized businesses se up their own training structures heretofore beyond their financial reach or competence.

(*d*) In an association OJT program the Government can receive as high as a 7 to 1 return on its economic investment during the time of the apprenticeship training period. With only 6 weeks of formal schooling in basic theory, subsistence allowances are kept to a minimum, and the apprentice becomes increasingly productive during his OJT period while at the same time the association along with the management and labor team of the employer's company are making significant training contributions as illustrated in the supporting data.

(*e*) Somewhere between 80 and 90 percent of the training of skills in this country takes place on the job and not in a formal class situation.

(*f*) Organized OJT training best reflects the realities of technological change meeting industry's present and future needs.

(*g*) Association on-the-job training programs are particularly helpful to individuals from underprivileged backgrounds because the association can continuously move these disadvantaged youth until it finds sympathetic training situations that can maximize the trainee's potential. This practically eliminates the usual dropout rate for this group program.

2. Our association believes that the Manpower Development and Training Act program, despite some initial imperfections, is making a valuable contribution to our economy and should be continued and extended.

3. Based on our association's experience, our group strongly supports the amendment to permit the Secretary of Labor to make grants for the conduct of research, experimental, and developmental projects, as well as to enter into contracts for such projects because:

(*a*) Most local and State associations as well as many national groups cannot completely support the initial expense of developing a project. Thousands of dollars of our own association funds were spent on this effort. Some contract development assistance, as offered in other departments of the Government, is necessary to absorb a portion of the initial cost.

(*b*) The staffed trade association is an excellent research vehicle in both job development and training and it is hoped that a portion of contracts and grants will be allocated to trade and professional associations as well as institutions.

4. Since training and unemployment problems cut across State lines, our group supports the amendment for 90 percent Federal financing for Manpower Development and Training Act projects.

5. Funding provisions should be made for increasing the staffs of various agencies handling Manpower Development and Training Act funds with particular emphasis on program development personnel:

(*a*) From our own contacts with the Stae employment service, State vocational education officials, and Federal Bureau of Apprenticeship and Training personnel, we could observe serious manpower shortages which slow down the processing of projects.

(*b*) The experience of our own association indicates that the quality of supervision and instruction is a major success ingredient. The Manpower Development and Training Act is only as good as the adequacy and competence of the staff that is serving it. Some immediate corrective action is necessary.

6. Our organization is particularly enthused over the amendment that directs the Secretary of Labor to give special emphasis to a program of "job development," primarily of jobs in the service trades.

Small business predominates in the service occupations, particularly in the food service industry, the largest service trade. Local, State, and National associations in this area are in a position to make outstanding contributions in identifying job opportunities, devising techniques to meet the demand, and training workers.

B. SPECIFIC RECOMMENDATIONS

1. Facilitate the flow of paperwork and funds to avoid unnecessary hardship and program delay; i.e., even though projects are funded, State authorities will not permit institutional scheduling until a check is actually received. A simpler mechanism could avoid a month's delay in programing. This is only one of many examples.

2. Allow the contractor more flexibility to achieve program goals. Arbitrary restrictions on hard covered books, no provision for special counseling, and no allowance for recruitment ads are but a few examples.

INTRODUCTION AND PROGRAM OBJECTIVES

Industry represents the largest and potentially the most effective educational establishment in the Nation. In the industry I represent, food service, there are literally thousands of potential training establishments.

Our job is to organize this potential by—

1. Interesting the qualified employers;
2. Helping them to develop training techniques;
3. Helping them organize the pattern of training so that learing objectives can be achieved; and
4. Helping and guiding the apprentices learning effort.

REALIZATION OF PROGRAM GOALS

We have successfully realized these goals in the Hartford cook-chef apprentice program. Both the employers and apprentices are enthusiastic about the results achieved through coordinating prejob institutional learning with the followup on instructor-coach technique.

This is evidenced by the spread effect of the successful experience in Hartford. Programs now are being set up in five other Connecticut centers and other State associations have taken positive steps to extend the Hartford experience into their respective areas.

PRESENT NEED FOR TRAINING

Industry and government authorities estimate that approximately 3 million people, including owners, are gainfully employed in food service. It is a further conservative estimate that a minimum of 75,000 new positions will be created each year, and an additional minimum of 150,000 workers will have to be recruited each year as replacements.

The Labor Department estimates that 35 percent of the work force are cooks of various categories. Based on these figures, approximately 75,000 cooks in varying degrees of skill would have to be recruited for new positions and replacements each year to meet the demands of the food service industry.

Other authorities estimate that of this figure, at least 20,000 of these annual openings should require the skills of a first cook.

A substantial portion of these openings are found in small- and medium-sized establishments. Eighty-four percent of the restaurant establishments in this country have fewer than 20 employees. In fact, of the 375,000 restaurant establishments in the country only 1½ percent—or about 500 businesses—have 100 or more employees.

For a number of years there has been a persistent shortage of competent cooks and chefs to meet the requirements of these restaurants for proper and efficient preparation of quality menus. Efforts to meet this need included recruitment of foreign-trained chefs and sporadic, but generally unsuccessful, informal attempts to train for the required skills. The inadequate training plans and procedures, particularly in this industry dominated by small business, have limited the recruitment possibilities and have not taken full advantage of the learning potentials of young people entering this industry to develop the art of food preparation as cooks or chefs.

ELIGIBILITY AND MINORITY GROUP PARTICIPATION

The successful Hartford experience has indicated that formal educational requirements are not pertinent, but candidates must have the following: a desire to work hard, the aptitude needed to learn the culinary arts, and the potential to assume responsibilities.

It was also demonstrated that when the association makes a group effort and alerts the community, through publicity and paid advertisements as to the availability of training opportunities, qualified minority candidates will apply. In the Hartford program 45 percent of the apprentices are Negro or Puerto Ricans.

Because all candidates are screened by a local association committee prior to their selection for the institutional phase of the program, all trainees are assured job openings upon the completion of the 6 weeks of classes.

OCCUPATIONAL OBJECTIVE—FIRST COOK OR CHEF

The focus of this program is not on the development of a lesser skill (such as short order cook) but the creation of a highly skilled, well-rounded, first cook or future chef capable of supervising his own kitchen, and who will be earning a minimum of $7,000 per year shortly after completion of his apprenticeship.

CREATING A TRAINING STRUCTURE FOR SMALL BUSINESS

Heretofore it was extremely difficult for small- and medium-sized restaurants to provide an organized on-the-job training situation. Under an association OJT program it is expected that planned and intentional training to achieve specific skill and knowledge objectives will become part of the industry operations. The training potential of small- and medium-sized operations will be tremendously expanded by this program.

A FULL-TIME COACH-INSTRUCTOR

A competent full-time coach-instructor working with cooperating restaurants is the instrument through which to achieve the following objectives:

A. Initially provide basic skills and knowledge in the prejob or institutional phase of the program. In the on-the-job phase, to directly instruct apprentices

in specific skills, assign reading and study homework, correct these assignments and assure that all of the learning elements needed to make the program successful are maintained at high standards.

B. Orient and advise supervisory personnel and chefs in cooperating restaurant on their training responsibilities, as well as the methods of working with a training plan to effect the orderly development of knowledge and skills in the art of food preparation.

C. Advise, assist, and instruct cooks and chefs in the art of effective on-the-job instruction so that the learning potential of each of the work experiences in food preparation is fully exploited. This instructor also assists in planning for an orderly and progressive pattern of food preparations to assure that both the breadth and depth of training experiences and knowledge needed to achieve full competency in the art is attained.

D. Create a special rapport with his students from less privileged backgrounds which include ethnic minorities and high school dropouts, providing encouragement and extra coaching to these trainees, helping them to meet the required standards of the program.

INDUSTRY AND ASSOCIATION CONTRIBUTION

Our industry has been operating education and training programs for a number of years, particularly in the area of service and management personnel. These programs will continue at the same level, but will be augmented by this additional effort to correct this tremendous shortage in first cooks or potential chefs.

In terms of an economic investment, this association on-the-job training project offers the Government its greatest return, when compared with most other uses of manpower training funds. Experience indicates that the State affiliate will invest a minimum of $2,500 per project in out-of-pocket and personnel expenses. In addition, the participating restaurants will contribute over $25,000 worth of instructional hours per project beyond the 2 hours per week compensated. Furthermore, an estimated $246,000 of wages will be paid to each project of 18 apprentices during the 3 years of apprenticeship.

After calculating additional association contributions for developmental work as well as followup on the second and third year, and adding the instructional hours contributed by the restaurants in the second and third year, for each project investment (approximately $27,500 in contractor's costs, $2,000 in training allowances, and $3,500 in supplemental instruction costs) industry members and the association are providing $287,500 per project in wages, instruction time, and out-of-pocket expenses—or a ratio of about 7 to 1. This is certainly an outstanding return on the invested training dollar of the government.

ADVANTAGES OF ASSOCIATION PROGRAMS

An association is equipped to—

1. Identify and obtain the participation in the program of qualified establishments.
2. Organize the recruitment of qualified trainees.
3. Select highly competent instructors from industry.
4. Develop the training content and in-plant training structure.
5. Transfer apprentices among participating employers as required to broaden, improve, and stabilize the training.
6. Supervise and coordinate the relationship between the industry and public agencies.
7. Conduct practical field research and program evaluation studies.

CONCLUSION

It is interesting to observe that our association efforts are in line with the new job development program for the service trades. We are making special efforts to pinpoint job opportunities and devising new techniques for meeting the demands of the food service industry—one of the largest, if not the largest, service occupations in the country.

(Supporting exhibits appear in the subcommittee files.)

Mr. O'HARA. Mr. Isenberg, will you identify yourself and proceed with your statement?

STATEMENT OF LEE ISENBERG, EXECUTIVE DIRECTOR, ASSOCIATED RESTAURANTS OF CONNECTICUT, HARTFORD, CONN.

Mr. ISENBERG. I am the executive director of the Associated Restaurants of Connecticut in Hartford.

Mr. Chairman and members of the committee, you have before you the statement that we made. I would just like to refer to the summary for a minute or two.

My particular interest is small business. The preceding two gentlemen outlined the areas in larger employment operations, but we find the situation is very different in medium and small business operations that don't have the training apparatus or skills. It is in this area of small business that we can see the potentially tremendous absorption of many people of disadvantaged backgrounds. This is the area we have tried to concentrate on.

We feel a trade association or a professional association can perform much the same function as that of a larger operation with a personnel or training department such as you have heard outlined today by previous speakers.

In this approach we have followed the example of the National Tool, Die, & Precision Machining Association. Mr. Hardman of that organization is going to be here shortly, and it is interesting to note this group pioneered the system which we copied for small business in a service industry.

The application of the principles were much the same and, to our amazement, the application worked out in the same successful manner as it worked out for them. They pioneered it in Connecticut and then they took this project to the rest of the country.

Today they are training 1,000 tool and die apprentices that way.

We followed their progress very closely. Their office is located right with ours so we knew what was happening and set up our procedures in the same fashion. We found the "instructor-coach" method an exciting opportunity for practical counseling of people and working with them at their level of learning.

I would like to give you a brief explanation of the "instructor-coach" method. When the association picks the instructor, we try to get young, energetic people that relate to these trainees. May I outline, just for a moment, our procedure.

We find we don't have the same experience of large corporations in getting recruits for small business. We found that the association had to take group ads because the employment service did not have the funds.

We took ads in every community where we scheduled this activity to interest the young men and stimulate them to go into this program. It was an interesting problem where the small businessman couldn't get results, but where a group working together seemed to attract people into this type of programing.

The employment service then funneled the people to our selecting committee. Our committee selected them and they were told a job was guaranteed before they started this "vestibule" training.

Our instructors went into the schools to conduct the training. Then the instructor moved out with his students on to the job and established what his problem was. His problem was establishing training struc-

tures in many of these small businesses that have no training ability or skills.

The establishment of such a training structure is no easy problem. He conducted, with the association's help, special courses for the chef, in the same way the tool and die association is doing it for the foremen, teaching the small- and medium-size restaurant training techniques.

These boys have week-to-week programed instructions. They have to be followed up continually. In the past because of this lack of followthrough and an organized training program, many fingers have been pointed at small business's failures in on-the-job training. Large business does an excellent job in this area but small business has this organizational problem which its local and national trade associations can help overcome.

The instructor-coach gets into the restaurant at least once a week for 3 or 4 hours, working with the boy, checking the young man's progress with the chef, and going over the boy's homework as well as assigning new lessons. Each boy has assigned homework and the instructor records the number of hours in supervised work experience that the boy and his chef agree upon as specific experience toward completion of the subject requirements of his project.

He checks this with the chef so there is a close feeling of supervised control. If the boy, for example, has a problem, we might have to move him as many as six times. If the boy is working on pots and pans, and you have a chef that can't be motivated to advance the boy, the control chart shows he has been working in excess of the hours required for kitchen sanitation, and we move him to another establishment. That is one basic problem we found the association can handle.

This has been particularly valuable for disadvantaged young men. Personality conflicts, problems of prejudice—all these problems can be met. We have rotated boys as many as four, five or six times and, darn it, we always end up with a training condition where they suddenly blossom if you have the patience to work with them.

We have some interesting comments. Our instructor practically lives with these fellows. He pulls them out of bed in the morning when they don't get to work and he may be called upon to be a counselor on their marriage problems.

I have all kinds of reports here as to the services the association has to extend in this area. In some cases we have to help the boys recover their licenses. It is amazing how the boys feel they relate to the instructor; therefore, we try to pick a top rate man. One of our instructors was a restaurant manager here in one of your finest restaurants in Washington, D.C. Through his outstanding leadership we were able to stimulate these young men to such an extent that they won, in their 10th month of training, 1st prize in the Seventh Annual Culinary Arts Show at the Hartford Statler-Hilton. With their prize of "best piece in the entire show" they won over many leading institutions and restaurants with outstanding chefs. The judges, which included some of the country's top chefs were amazed at their development.

They were brought along at their own learning rate, but in a controlled situation.

Mr. GIBBONS. Off the record, but do you think we could get him to come back and work in the Capital here? [Laughter.]

Mr. ISENBERG. Well, I did have a big problem with the restaurant owner who thought we had induced him away—and we might have. [Laughter.]

Mr. GIBBONS. You must have stolen all ours. I don't know what happened to them.

Mr. ISENBERG. We are very happy with this instructor because we found you have to get the very best for the disadvantaged. We found it is not a question of getting a second-best person. If we get an outstanding instructor, he can do a fantastic job with these boys.

This man walks around with stature; he walks around some kitchens where you have the old history of the chef not wanting to tell his so-called trade secrets to his apprentices. A strong moral ascendancy has to be established over this type of chef so that he knows he is under the gun when our instructor-coach walks into his kitchen to check on trainee progress. The chef knows that he is dealing with a man more knowledgeable than himself. Incidentally, our instructor is always building a reservoir of good will with these chefs by continually helping them with some small service or new dish. The chef, therefore, feels that he has to see these boys get the variety of training he originally agreed upon. We find this program works.

We find we can take a young man, a Negro or Puerto Rican, or representative of any other disadvantaged group—I mention the culturally deprived groups because we think the service trades offer opportunities for a tremendous absorption of this type of person. And at the end of his training this young man will be making $7,000 or $8,000 a year. These trainees are not future pot whallopers. These boys now are making somewhere between $75 and $110 a week in their 11th month of training. We guarantee they will get a $7,000 minimum annual pay within 2 years of successful completion of their apprenticeship. Most will do better.

We have a tremendous problem in getting priorities for this type of programing. There appears to be fewer problems for large business. They seem to have the acceptance in developing and working with the agencies in getting funding priorities. There has been a lack of communication between small business and their association groups and the many State and Federal agencies handling Manpower Development and Training Act funds.

As a result, we have watched and felt very badly about this situation. Here we have the jobs guaranteed. We had 125 job openings guaranteed last June. I sent two fieldmen to personally pinpoint these jobs. This is another thing the associations can do for small business: They can pinpoint and sell the owners on taking in these boys and participating in an organized training program. After my first program started last March and we had developed 125 new openings in June we watched all kinds of funding approvals for institutional programs of straight schooling with no attached on-the-job training programs, or even more important, with no promise of specific jobs. We just got our money last month. This is 7 months late and it is heartbreaking.

I have had instructors wait around 2 or 3 months. I have had boys stacked up trying to find temporary jobs for them until the program could be funded because we guarantee the jobs. We found the jobs and we certainly feel we are entitled to a little more priority and

recognition with respect to funding than we have been having up until this point.

Recently something seemed to yield—perhaps its the new manpower administrator—and we got programs approved this last month.

It is a tremendous problem when dealing with small business. We had restaurateurs say, "I told you last year we could take a boy in October, now we have to wait until after Lent." These coordinating problems could be minimized by the flow of funds——

Mr. DANIELS. Did you make inquiry as to why the funds were not immediately available?

Mr. ISENBERG. No. 1, they ran out of money. No. 2, we didn't accept that and Senator Dodd pushed through the program for us. I don't know how he did it, but we got our pilot program through in spite of the fact they didn't have the funds.

This is the problem again of funding priority. We feel the institutional programs also have their vital place. However, we know the association's on-the-job programs offer a tremendous possibility and, instead of being on the lowest ladder of recognition, we would like to at least be on the ladder on a level with institutional programs.

Here are some typical examples of frustrating roadblocks. In our vocational schools, two programs were funded this month and I have classes ready to start March 1 and March 15. We have already selected the young men and lined up the job openings but the State government will not have the vocational people even talk to us until they get the Manpower Development and Training Act check on deposit. That takes about 4 weeks.

So here is my schedule, aiming to start March 1, and yet you would think after the Government funded the money there should be some acceptance worked out by telegram or something to permit us to go forward. Instead we may have the repeat experience of having instructors wait a month, out of work, until the funding authority catches up with us, and then go around reselling restaurants to employ the boys at a later date.

Another example: We got hung up on the 48-hour variance. Most small business establishments in service industries are still under State and not Federal labor laws. In restaurants particularly, it is a 48-hour workweek.

We were told there would be delays in Washington until that variance could be worked out. This delayed things. Then we discovered through Senator Dodd's office that there really shouldn't have been any delay in that area.

There was just a continuous problem of procedure to get these programs rolling. We put in a lot of money of our own. The average small business cannot afford this kind of developmental work and we were happy to see the Secretary is asking for authority and we want to support that very strongly.

We do support that point very strongly in page 3 of our written statement, the third recommendation, that the Secretary should be able to make grants for helping the small groups to organize these programs.

We went through about $4,000 or $5,000 just in trying to develop the programing. In other Federal Government areas the Department usually tries to assist in programing before the program is developed.

These are some of the problems we faced. We found there was a tremendous staff shortage in programing personnel. Because it is a small business project the program seems to require far more detailed scrutiny. I always get a kick out of the fact that the larger the project, the less detailed the attention.

For a $20,000 or $25,000 project, I am sure we had 25 times the scrutiny of a million-dollar project. So a real problem was program personnel. There was a distinct lack of people to work with us, and those who did really worked miracles.

We had a real slowdown there in terms of trying to get people to just concentrate on the project, investigate and evaluate the program objectives, and give their support so it could go forward. We think from our observations, that they need help. Congress may have appropriated sufficient Manpower Development and Training Act funds but its utilization is only as good as the number of people that can be effectively trained and this in turn requires far more adequate staffing than is now available.

You badly need help in the field. The Bureau of Apprenticeship and Training could double its field staff and still be tremendously shorthanded to process the number of new OJT projects new being planned. In the Employment Service area, they might move for Litton Industries, but when your concern is for a small business group, you have to get in there and compete for attention on an already overloaded staff. We had to go in there and talk to every one of the interviewers. Their workload is tremendous. We offered to take over some of the testing for them and do everything we could facilitate referrals by paying for recruitment ads in newspapers and contracting community agencies working with disadvantaged youth.

Referring to the last recommendation in our written statement in support of the policy or suggested amendment that the Secretary of Labor's attention be directed to the service industries for job development; we think this is tremendously important. We know there are many good jobs there, and even in this age of automation and technological change, there is a definite demand for a well-run service-type operation. We know we could develop 10 times the present number of job openings for chef apprentices.

It might seem amazing in a small business, but the very livelihood of the restaurant operation depends on a good chef, who can earn from $7,000 to $15,000 a year. In a small restaurant business there might be only six or seven people in the entire operation, but it turns around the chef so we can guarantee a tremendous number of openings in this area.

Mr. O'Hara. Is that just in Connecticut?

Mr. Isenberg. No; it is not. There is another area that came up while I was chairman of the apprentice training committee for our national professional group. They were observing our pilot project and as a result we formed a group of State associations interested in developing grassroots apprenticeship programs called Affiliated Restaurant Associations.

The National Restaurant Association, our parent body, is involved in widespread training and educational activities, but they said if we were interested in apprenticeship development for small- and medium-sized restaurant businesses, they would have no objection to interested

State associations "carrying the ball." We got 20 State restaurant associations together in this affiliated group, temporarily limiting our group to regularly staffed associations.

I might qualify that point: You have to have an association staff to do the extensive grassroots legwork and pound through a successful program. Therefore, we limited this group to associations with staff members, and we are this week submitting a countrywide program to train 1,000 cook-chef apprentices.

We don't know what kind of reception the proposal will get. All we know is that we have spent over 18 months developing the hundreds of special techniques and approaches for this type of programing and we see it works. We have had visitors from all over the country come in and observe our instructor-coach systems. It is just amazing to them to find the quality of the boys is tremendous.

The individual counseling is certainly a vital factor in what it does for the trainees. Mr. Hardman will testify that this has also been the experience of the tool-and-die group because we worked very closely with him. He piloted his programs in Connecticut and we made significant progress building on his experience.

In this area of experimenting, developing, and demonstrating new training approaches, we feel the trade association can be an extremely valuable research vehicle. They are much ignored and we feel this is a very unfortunate situation. The manpower program is concentrating on research and development and yet authorities don't realize that one of the greatest arms of research is right in their hands; and that is, the trade association.

We have discussed this "blind spot" with the association representatives of other groups and they tell us it is the same problem with most Government programs—the utilization of qualified trade and professional associations is at the low end of the totem pole in terms of research projects and job development opportunities.

They are the group that really can produce. That is the sum total of our observations.

Thank you very much.

Mr. O'HARA. Mr. Isenberg, thank you very much. I hope we can arrange to have you testify before the Appropriations Committee. We are seeking more funds for additional staffing.

Has Mr. Hardman arrived?

Mr. HARDMAN. Yes, sir.

Mr. O'HARA. Will you join the others here at the table?

Mr. Hardman is director of training for the National Tool, Die & Precision Machining Association here in Washington.

Mr. Hardman, the procedure we have been following is to have the witness either present his statement or a brief summary of his statement with his complete statement printed in the record.

As soon as you complete your testimony, the members of the committee are going to have questions directed to one, or another, or all of you gentlemen.

Would you care to read your statement or summarize your statement?

Mr. HARDMAN. I will read it, if I may.

Mr. O'HARA. All right, please identify yourself and proceed with your statement.

STATEMENT OF WILLIAM E. HARDMAN, DIRECTOR OF TRAINING FOR THE NATIONAL TOOL, DIE & PRECISION MACHINING ASSOCIATION, WASHINGTON, D.C.

Mr. HARDMAN. Mr. Chairman, and members of the committee, I am William E. Hardman, director of training for the National Tool, Die & Precision Machining Association with headquarters at 1411 K Street NW., Washington, D.C.

Before I proceed I want to say I felt like cheering when Mr. Isenberg was voicing our problems so frankly and clearly.

Our organization is a national trade association representing the tool and die industry in the United States with some 800 member companies. One of our major areas of activity is training. This includes management development training, supervisory training, technical and skills training, and specialized machine operator training.

Our most extensive effort by far, is in the area of skills training because the tool and die industry is primarily an industry of craftsmen and hence this becomes the greatest area of need.

At present we have a development contract with the Bureau of Apprenticeship and Training of the U.S. Labor Department for the promotion of on-the-job training within the industry. The contract is financed through funds made available under the Manpower Development and Training Act of 1962.

Through its provisions it has enabled us to strike toward a twofold goal; namely, an alleviation of the critical shortage of skilled toolmakers and diemakers and precision machinists, and beyond this to create a new shop floor training appartus which is so vitally needed in American industry.

We have developed a program which amounts to the first year of apprenticeship in the tool, die, and machinists trades. In so doing, we have used basically the on-the-job training method coupled with a short institutional phase. Our trainees spend the first 12 weeks in a vocational school, 7 hours a day, 5 days a week. We have written four textbooks for use in the program, established a curriculum, and we choose a journeyman instructor and ask the school to certify him under adult teaching standards.

Upon completion of this 12 weeks of training the trainees are assigned to the shops that have committed themselves to take them. In short, there is 100-percent job placement.

At this point the same journeyman instructor becomes an itinerant instructor and divides his time each week for the next 40 weeks among the shops which have employed his 15 boys during this 40 weeks. He instructs the boys on the job and utilizes techniques and methods within the shop which previously have not been applied to apprentice training.

At present we have 11 programs in operation with 284 boys and expect to start 12 more in the next 90 days, which will bring us over our goal of 500 for the first contract year. Some of the cities involved are Rochester, Cleveland, Dayton, Cincinnati, Milwaukee, Rockford, Indianapolis, Hartford, Nashville, Bridgeport, Syracuse, and Muskegon, and most recently Los Angeles, Houston, and Dallas. By October 1965 we expect to have 750 boys in training in 40 cities.

We would like to point out that the shop floors of industry constitute one of the Nation's largest classrooms and no matter how one looks at it, the greatest number of hours of industrial training are performed on these same shop floors at the jobsite.

Because of this fact we hold industry must be made a more effective part of the skill creating structure of the Nation, if the private sector of our economy is to provide jobs for the unskilled youth and minority group members now seeking employment.

If a substantial portion of these people are to be trained in the public sector in vocational schools, the cost of training will run into billions of dollars and the quality and direction of training is unlikely to meet the requirements for specific jobs. Manufacturing techniques and patterns are changing rapidly because of the advent of such technical changes as electrochemical machining, electrical discharge machining, numerically programed machining and other modern processes.

One of the chief deterrents to training in the thousands of small and many of the large plants in the Nation is cost. And this cost factor is closely related to the lack of planning, know-how, and training materials which can be used to help the new worker or technologically affected worker make acceptable progress in his job within the limits of permissible costs.

High minimum wages imposed by law or union contract often make the training too costly for many jobs which involve mastery of complex skills and a basic body of technical knowledge before a self-sustaining level of productivity is achieved.

I think what we mean here—maybe we better qualify it—in many of the skills we have to train for, the training period is very lengthy and there is no productivity and it is pure cost at this period, and oftentimes it becomes prohibitive for certain manufacturers.

This situation can only be overcome when the most efficient training techniques and procedures are used. Various estimates of training costs for skills such as toolmakers, screw machine setup men, boring mill operators, and so forth, run as high as from $1,500 to $5,000 during the training period needed to bring new workers to a self-sustaining level of skill and productivity.

The Manpower Act is beginning to play a vitally important role in the training of workers within industry because it provides just funds enough to help offset initial training costs that are so burdensome to the small- or medium-size plant. In providing these funds it also allows industry the means by which it can refine and improve its own methods of doing the training job.

The National Tool, Die & Precision Machining Association urges the continuance of the Manpower Development and Training Act, but calls the committee's attention to the importance of on-the-job training, the most practical means by which workers can be trained for specific jobs at a low cost and with the prospect of 100 percent placement.

We urge that this universal method of training be given more specific acknowledgement within the act and that a greater portion of the funds which will be made available be allotted to this type of training which, in the final analyses, is the only way that large numbers of unskilled youth and minority group members will be effectively absorbed into industry.

45-100—65——11

Thank you.

Mr. O'HARA. Thank you very much, gentlemen. I think this has been an extremely enlightening session. I am sure it will be even more interesting in the time remaining.

Mr. Daniels, do you have any questions you would like to direct to the panel?

Mr. DANIELS. First, I would like to compliment all four men on their testimony. It has been most enlightening.

Mr. Hardman, how much of an appropriation or grant would you require to train a class of 15 boys in the tool and die precision industry?

Mr. HARDMAN. Our present experience is that the cost to Uncle Sam for 18 boys, actually we start with 18, giving ourselves an attrition factor, and quite often we pull all 18 through the training. The unit cost of on-the-job training is $1,300 to $1,400 for 1 full year.

This is Uncle Sam's cost, not counting the manufacturer's cost.

Mr. DANIELS. That was $1,500 to $1,800?

Mr. HARDMAN. No, $1,300 to $1,400 per year per man. This is for the highest kind of skill.

Mr. DANIELS. Would a year's training be sufficient to turn this man out into the marketplace for a job?

Mr. HARDMAN. Under the unusual system we have developed, he already has a job and is being paid for 40 of those 52 weeks. Secondly, this apprenticeship training is of 4 years' duration. Under the type of training we have developed, we have found and proven that we can bring that man much farther along in the first year than has ever been done in the history of apprenticeship training.

Mr. DANIELS. You are training him for a higher level of employment; you are improving his skill. He has a job but you are improving his know-how by training?

Mr. HARDMAN. He has a job. He is paid wages by the employer, because he is placed on the employer's payroll when he becomes an apprentice.

Mr. DANIELS. You have had 100 percent success in putting all these boys to work?

Mr. HARDMAN. Positively.

Mr. DANIELS. What is the average wage of a first-year apprentice on the completion of the 1-year course?

Mr. HARDMAN. I would say the average wage in this industry throughout the United States at the end of 1 year is $1.90 to $2 an hour.

Mr. DANIELS. You say some of these courses involve an apprenticeship of 4 years?

Mr. HARDMAN. Virtually all of them do.

Mr. DANIELS. What would be the scale for the third and fourth years?

Mr. HARDMAN. They start usually at the 50-percent minimum of a journeyman's wage and a good average for the country is about $3 an hour for the country at the completion of the fourth year, and every year there is an increment building up to that.

Mr. O'HARA. Will the gentleman yield?

Mr. DANIELS. Yes, of course.

Mr. O'HARA. The ordinary apprenticeship is 4 years isn't it?

Mr. HARDMAN. In most States. In some States it is still 5.

Mr. O'HARA. How is the total length of the period altered, if it is, by the 1 year of combined on-the-job training and instructional training given under this program?

Mr. HARDMAN. What you are saying is how do we get through the next 3 years?

Mr. O'HARA. Yes.

Mr. HARDMAN. First of all we have brought the man a long way down the journeyman's path in the first year. At the end of the first year he is turned back into the conventional apprentice system; on-the-job training allows 1 year.

The instructor is no longer there for that group of boys. They are on their own, more or less, but benefiting by the type of climate we set up in that job in that particular shop. Usually a journeyman takes over but they are on their own to a great deal.

Secondly, they can go to the local vocational school if it offers those courses for a specific number of hours for the next 3 years. But we found this presents quite a problem because most of our boys by the end of the first year have completed more related training than most States call for in 4 years, so it is difficult to fit them in, relatedwise, the law being what it is for apprentices, they are going to be forced in.

What the national association is doing now is developing a new, modern third and fourth year curriculum which we can offer to the schools.

Mr. O'HARA. What you have done then is to use Manpower Development and Training Act and greatly accelerated the learning process, but the total apprentice term is unchanged.

It ought to be changed, shouldn't it?

Mr. HARDMAN. We don't feel it can. There is too much to learn and too many things not coordinated into the public schools. What we say is, "Let us make these boys much more productive early in the game. Why take this long when we can do it sooner? We can make a better man in a shorter period of time."

Mr. ISENBERG. We did the same thing. One of the things in this second, third, and fourth year, they haven't worked this out yet, but there are examinations—say a boy might be able to take a fourth-year equivalent examination at the end of the third year—this again is what happens when you start to get an industry group working. I know it is only a theoretical aspect now, but it is possible.

Mr. HARDMAN. Let us show the background of this. We are not out to battle the term of apprenticeship. There is a great deal of emotional adherence to it. We don't want to fight with the unions or water down the trade, but what we would hope to do is, if apprenticeship terms become shorter, have it come through natural causes. We only want to do this through demonstration.

We are getting to the point where we may be able to experiment with examinations, performance examinations every 6 months, meaning that a real hotshot, so to speak, might complete a 4-year course in 2 years, on performance only.

Mr. DANIELS. From your experience in the trade and in the industry, are you convinced it may be shortened?

Mr. HARDMAN. In the back of my mind I am convinced that what has been taught in the past can be taught in shorter time, but I am

interested in adding a greater portion of new knowledge to the apprenticeship rather than having him acquire it through development on the job through the years.

Mr. DANIELS. Have you presented a plan to the Secretary of Labor for a full curriculum covering a 4-year period?

Mr. HARDMAN. We won't have the material ready before the summer, but we are very interested in a program with both HEW and the Department of Labor at the moment.

Mr. DANIELS. Is this program for just young men or men of various ages?

Mr. HARDMAN. Naturally an on-the-job training program, as in such a program the prospective employer or contracting agency has the right of final selection and of writing the standards for the Employment Service. But in our standards we have never put an age on the type of trainee we want. The feeling is that whether a man is 26, 28, or 32 years old, if he can absorb this training, we will take him.

The only deciding factor at that point would be his economic ability to go on the training wages.

Mr. DANIELS. What about the students you now have? What is the average age at this time?

Mr. HARDMAN. I think around the 23-year-old average.

Mr. DANIELS. All the men enrolled in your courses so far have been guaranteed a job on completion of training?

Mr. HARDMAN. Yes. We put them into public school for 12 weeks. The first day they start to school, even though they are not on anyone's payroll for that 12 weeks, they do have a job. At the end of the 12 weeks they go to the job.

Mr. DANIELS. Do you encounter any problems here with respect to their employability?

Mr. HARDMAN. With respect to their employability—could you qualify that?

Mr. DANIELS. Do you have any problem in placing them?

Mr. HARDMAN. None whatsoever; they are gobbled up. If we had the means and staff to develop them at three times the rate we are now doing, the boys would be gobbled up.

Mr. O'HARA. Mr. Gibbons?

Mr. GIBBONS. I find the testimony today quite interesting, particularly Mr. Isenberg's with all these exhibits back here. I want to see how the clerk is going to get the pictures in the record.

One of the comments I hear about this program, Mr. Isenberg, and one which I would like you or anyone else from the panel to comment on, is that we may be creating an illusion here; that we are not actually putting more dollars in training but substituting dollars by putting Government dollars in for private dollars that formerly did this training work.

Mr. ISENBERG. I would like to answer that point: Again, my experience is limited to medium and small business establishments and most have no strong training structures. We figured that on the basis of the apprentice training period, the Government gets a return of about 7 to 1. Supporting data is included in my written statement.

There is no training structure in the average small business, and one of the major goals we are trying to accomplish is to create a continuing training structure in small- and medium-sized restaurants. Although

the large corporation plays a vital role in America's economy, there still is a tremendous number of small businesses in the restaurant industry. The overwhelming majority or 84 percent of the 315,000 restaurant establishments in this country have less than 20 employees.

Most of these establishments have less than 10 employees. That is a small business group, but these are the people you can bring into this type of program and these are the people that have been denied too long an opportunity to get qualified people. But now with an organized training structure we are able to funnel good people into their operations.

Normally, a boy with promise will not stay in a small restaurant with the type of individual training that he normally receives, but under this situation, because it is an organized training program and because both the boy and his chef are under close supervision, the boy gets better training and he stays.

Mr. GIBBONS. Mr. Hendrix, how about you; you represent a big corporation and you probably hear this or have heard it commented that, "Well, we have been spending this money to train our own people but maybe the Government has got it and we ought to take our share or somebody else will."

I don't expect you to crucify yourself on that answer, but I would like your comment.

Mr. HENDRIX. First, it seems to me to be unusual to be referred to as big business after being 30 years with General Motors. Actually, we have not heard that kind of comment. Generally we are talking here about people actually unemployable for the job openings available, and this is an entry type of training or beginning training.

It is preparing them to enter into a job for further on-the-job training. If they have the ability and skill, they can move on up.

Mr. GIBBONS. General Dynamics has been in existence a pretty long time, at least since World War II, in its present corporate form. Didn't you have some kind of on-the-job training program before the Manpower Development and Training Act?

Mr. HENDRIX. Yes; and we still do. We are not using the on-the-job training, we are using "vestibule" type training with one exception. We deal with a "vestibule" or "before employment" training, preparatory to entering employment.

Mr. GIBBONS. Are you spending less of your own corporate funds on training now because you have more Government funds to work with?

Mr. HENDRIX. No; I would say not for two reasons: First, if trained people are available, you would hire them, and, second, the on-the-job training has to be done after you hire these people. Perhaps we would have to go further in recruiting efforts; perhaps we are spending less money recruiting in areas outside of our local labor markets.

I suppose you would still have to get the people someway if this program was not available. I suppose you would broaden your recruiting areas geographically. You would set up your own "vestibule" schools, perhaps. If you had to take these steps, it would cost the company more money.

Mr. O'HARA. Will the gentleman yield?

Mr. GIBBONS. Yes, sir.

Mr. O'HARA. You didn't have a "vestibule" training program until the Manpower Development and Training Act came along, did you?

Mr. HENDRIX. If you go back to the war period, yes; but not recently. Generally speaking, this type of "vestibule" school has been set up in our companies in the last 2 or 3 years. It is in areas where there is a shortage of trained people in each of the cases.

Mr. O'HARA. It has not been a question of substituting Government funds for funds which you had previously spent on such projects, but rather a matter of undertaking other projects you had not previously undertaken. Is this correct?

Mr. HENDRIX. In every single case in our company, this is true.

Mr. CARLISLE. I would like to respond on behalf of Litton. I am not an expert on the Manpower Development and Training Act, but I have a reference I would like to call to the attention of the Select Subcommittee on Labor. I have, here, testimony which was given by Harry L. Bodell in July of 1963. He was the manager of training and development at Litton Industries in the data systems division.

With reference to pages 2 and 3 of the remarks of Dr. Jacobi, where he was talking of the Reseda adult electronics training, Mr. Bodell told the subcommittee in July of 1963 that a number of companies in the San Fernando Valley actually got together and, you might say, under the sponsorship of Litton Industries, as the largest participant in the program, put on a training program in the field of electronics assembly, partially with their own funds in a depressed skills situation, a situation where demand exceeded the supply.

They put on this program and produced graduates that were outstanding in ability. I would like to read, if I may, a couple of remarks about this particular program.

It says here how the model program was organized:

> Unable to do the job, local industry turned to other agencies for assistance. A committee of three went to work on the problem. It was composed of a Miss Vale, Mr. Bodell, and Mrs. Harwood.

It says the public schools participated in the California Department of State Employment. There are references here to certain services being provided free of charge by the firms, scrap materials being supplied, instructors being supplied, sometimes on a nonreimbursable basis, and large quantities of scrap parts and training donated. There were also training aids, film, and equipment made available on a loan basis. These contributions from training directors and employees of local companies provided an industry-oriented program with graduates that could immediately qualify for employment.

Mr. O'HARA. Mr. Hathaway, do you have any questions?

Mr. HATHAWAY. Yes, sir.

Mr. Carlisle, there is noted on page 10 of the statement of Dr. Jacobi a certain amendment which you approved. Did you have another amendment?

Mr. CARLISLE. The answer is that Dr. Jacobi generally agrees with the provisions of the new proposed legislation but, because of his lack of personal knowledge as to how the effect of these would be felt, he could only state a general agreement with the proposed amending legislation.

The idea of extending the program to a period in excess of 52 weeks is desirable. The idea of opening the training to individuals not necessarily heads of households is desirable.

Dr. Jacobi generally agrees but gives no specific endorsement except those stated here in the statement because of lack of personal acquaintanceship. It is not lack of philosophical agreement.

Mr. HATHAWAY. Mr. Hardman, you mentioned the act should provide some specific portion of funds for on-the-job training. Do you have any idea of what ratio should be established for that purpose?

Mr. HARDMAN. It is a difficult question, but I would say not less than 25 percent. You certainly are not getting enough on-the-job programs and what has been spent on on-the-job training, a fair share of that kind of money in proportion to what on-the-job training is doing for the economy and what it can do for the goals of this act.

Mr. HATHAWAY. You don't think it should be left discretionary with the Secretary?

Mr. HARDMAN. Not unless he is specifically instructed to do something more concrete.

Mr. HATHAWAY. Do you have any factual basis for your 25-percent figure?

Mr. HARDMAN. It is pretty much a top-of-the-head thing, but, figuring how short we are all the time and what an uncertain thing it is when you come in, let's give ourselves as an example; we have a development contract from the Secretary of Labor. We go out and develop these on-the-job training contracts. We do this and each time we come in with our area or citywide contract papers, and say we would like funding, with everything in order, then they say, "We are uncertain, we don't know if we have money or not. We don't know if we will run out of money, things look tough." It is sort of ridiculous to send you out to do a job that needs doing and, when you come back, then you are not able to get the money to fulfill the contracts. It certainly could be handled on a better basis than that.

Mr. HATHAWAY. Would you have any idea as to what percentage went to on-the-job training last year?

Mr. HARDMAN. I remember a meeting about 2 months ago when the Chief of Program Development stated that, up until that time, $10 million was spent on on-the-job training programs under the Manpower Development and Training Act. This didn't seem to be very much according to the amounts that I keep hearing go into some of these big institutional training programs.

They train for 26 skills within 10 weeks and then at the end of the 10 weeks the 10,000 people who have supposedly been trained, don't get jobs. That is money down the drain, so to speak, and yet all our people have jobs when they are trained.

Mr. HATHAWAY. Mr. Isenberg, I assume you agree with Mr. Hardman?

Mr. ISENBERG. He couldn't express it any more forcefully. Our experience is the same. We come hat in hand and it is very upsetting. We have people and job openings we have actually created. We had no developmental contract. I know the National Tool & Die Association did a tremendous amount of work on its own, prior to getting their developmental contract.

We selected the trainees, we went around and created the job openings, and yet when we came to get the money, it was not there. We believe if there is any kind of programing that should have some attention, it is this type. Particularly, where association groups have been successful in guaranteeing jobs.

In the past we received the least possible attention. This is so frustrating, I can't express it adequately.

I had one young man from my office out for 2 months with an ulcer. He personally pioneered 125 openings and then found the money was not available for on-the-job training. This is what the Secretary refers to as "development." We have been doing this on our own. This is what these association projects are.

We find these jobs ourselves and yet we have had such a fantastically low priority on the funding I can heartily agree. We are not trying to criticize the priority of so-called multiprojects. However, we have had our own experience in the food crafts trades and we know the placement problems facing many of their graduates.

Again we emphasize that in our program we guarantee jobs and also a training program where disadvantaged young men can be brought up in a relatively short time to a $7,000 income. Where else can you find a situation like that?

Mr. HATHAWAY. I take it you agree with Mr. Hardman that a certain portion of the funds should be dedicated to this type of training?

Mr. ISENBERG. I really would like to see attention given to two points: One, a certain portion of the funds should be earmarked for on-the-job training or else, there might be some better way the discretionary viewpoint of the Secretary of Labor could be focused on this problem.

My second point is that I would like to see an easier road developed for dealings with trade associations. We know that the institutions have created mechanisms for dealing with agencies over a long period of time, and we feel the trade associations should be treated—I don't mean they are ill-treated, but there should be a stronger recognition of their role and they should be brought more closely into the picture. We think that significant steps in this direction are being made by the new manpower administrator from conversations our people have had with his executive officer.

We were looking over Mr. Hardman's research proposals and every single thing he had we are going to adopt for our food-service industry. It is outstanding. He has created work-process charts and we are using them. We are bringing the boys along. Small business and medium-size business never had this opportunity before. We are opening up tremendous sections of job opportunities.

Mr. HATHAWAY. Thank you very much.

Mr. Hendrix, do you have any suggestions as to how the act can be amended? Are you satisfied with the amendments proposed?

Mr. HENDRIX. I don't think I am qualified to talk about on-the-job training areas. It has been discussed adequately already.

I think I would like to restrict my comments pretty much to the actual experience we have had.

Mr. HATHAWAY. You are satisfied with this provision on this 4271?

Mr. HENDRIX. Yes.

Mr. HATHAWAY. Thank you.

Mr. O'HARA. Mr. Quie?

Mr. QUIE. You mentioned the age of the young men and you came to age 32. You said some boys were 32.

Mr. HARDMAN. Occasionally, yes.

Mr. QUIE. What age is the oldest individual?

Mr. HARDMAN. I think he is 32; the oldest boy in the entire program is 32. Quite a few are in the high twenties.

Mr. QUIE. Would it be possible that a person would be too old for the training, or do you base it on his ability to receive the training? Do you have an arbitrary age limit?

Mr. HARDMAN. Once again, there is no arbitrary maximum age as far as my training philosophy goes. There is high selectivity involved in this. We test pretty thoroughly and pretty well know the individual has the basic so-called God-given abilities we are looking for.

It then becomes a matter of economics. Does he have a wife and 12 kids? How is he going to survive on apprenticeship wages? If they only have one or two kids and the wife is working and he is motivated, fine; we don't care if he is 40.

Mr. QUIE. Does the economic situation come in on his age; that is, if he was 40 years old and wouldn't be able to work much longer?

Mr. HARDMAN. No; it is strictly his ability to survive the training period.

Mr. QUIE. Mr. Isenberg, in the restaurant workers, do these people tend to be of a lower IQ or mental ability than the group represented by Mr. Hardman?

Mr. ISENBERG. We found an amazing thing. We made our own tests. There was no special provision for this and this was a special group we were dealing with. We wanted to get some funds for working with this group in terms of developing more meaningful IQ tests because to a certain extent IQ tests reflect the background as we all know. Unfortunately we were told there could be no fund allocation for professional assistance in this area. Therefore, we tried to develop a few of our own tests for native intelligence.

We are particularly interested in getting boys who come from some of the most difficult backgrounds but who have a potential for supervisory activity because this young man in 4 or 5 years from now would have the responsibility of running his own kitchen with several people reporting to him. And we found our interviews revealed a lot of potential.

In our formal testing program we've just developed a few tests which we think are a little better indication than the standard test. These boys are disadvantaged but don't lack intelligence.

In other words, basically we are looking for a boy who has an aptitude and who we think at least can absorb the material. I don't know if I answered your question. Of course, we can't compare him to Mr. Hardman's group; that is quite different. A good portion of our boys are not high school graduates and do come from culturally deprived backgrounds. If we had to give them any of those shop mathematics tests that Mr. Hardman does, they would be a dismal failure.

They do have to know how to divide a portion of flour and so on. Our tests are very limited to something that relates to very simple work. We've tried to develop a test battery that relates to a type of activity they do in the kitchen and we find we are getting very intelligent young men, despite their depressed background.

Mr. QUIE. Lastly, you mentioned in your testimony that you favor the 90-percent Federal financing. Why have you come to this conclu-

sion other than a very brief statement that the problems are national, not statewide?

Mr. ISENBERG. There are two reasons. In addition to employment problems cutting across State lines there is the problem, as Mr. Hardman brought out, of strong vested interests that we are bucking in every State. With 90-percent Federal financing we have more of a chance to get through a new type of programing.

We manage after a while to break through the ice barrier in the structures that exist now in the State agencies. Frankly, we are crashers. We push; we go into one department and push the paper to another department, and we are creating new curriculum and are bringing curriculum to the schools. We are doing a lot of things that are disrupting certain systems and until the people see that we are not a flimflam type of operation, there is a certain amount of resentment in terms of the type of changes that we are bringing about.

Mr. GIBBONS. Will the gentleman yield?

Mr. QUIE. Yes, of course.

Mr. GIBBONS. Could I ask you to be a little more specific about your vested interests?

Mr. ISENBERG. I think Mr. Hardman is better able to answer that.

Mr. HARDMAN. I think what he really means is when we write textbooks for a trade and then ask the schools to use these books and curriculum, they feel that this is a great deal of effrontery. We have to produce the end result before we get a feeling of sympathy.

In the State education departments, once we get their approval and can go to their people and say "Please use the curriculum that we have recommended," then we have a team. Before that we are being pretty brazen in their eyes.

Nevertheless, once the end result has been completed all the trainees will be hired. When that has happened the schools say, "This is marvelous," and then we get more cooperation.

Mr. QUIE. Did you want to pursue that any further?

Mr. ISENBERG. No.

Mr. QUIE. I gather from what you say these programs are so new we need the 90 percent at present—and I seem to be down the pike a way—but when they are more acceptable, there wouldn't be the full necessity of 90-percent funding?

Mr. ISENBERG. This is true but this whole area of small- and medium-size business might need some help in the second year. Here again we are going on a 3-year apprenticeship program where there is no training in the small- and medium-size business. We might have to work out something where we need some help, some way to permit our instructor of first-year students to keep an eye on boys in the second or third year for corollary programs.

By using our people in these corollary programs we feel we would have a much better opportunity for innovation and change working under a 90-percent split.

At the present time I concur there is the possibility that once these programs gain acceptability and authorities see the end result, these program innovations might then be absorbed into the normal training structures.

Mr. QUIE. That is all, sir.

Mr. O'HARA. I think we have an excellent panel here. In another sense, we have representatives of four industries, two using OJT and two using institutional training for different kinds of skills.

I think this demonstrates some of the need for flexibility in pursuing this aspect of the problem. I gather that General Dynamics has on-the-job training programs for which they have not used Manpower Development Training Act help. Does Litton Industries likewise have such programs?

Mr. CARLISLE. We have a broad program—the answer is "Yes" to your question.

Mr. O'HARA. I don't know whether either of you gentlemen can tell us why you are not participating in the OJT provisions for these higher skills.

Mr. CARLISLE. I can't answer the question.

Mr. HENDRIX. I can't answer but I suppose it goes back to the Mr. Gibbons' question over here. We had been doing on-the-job training, and as I said we have had no experience since the war period on the OJT with the one minor exception of a small pilot group.

Mr. O'HARA. Of course, we couldn't swear that this group is typical, but I think it is pretty clear that the training undertaken through this program is, to a large extent, training which was not undertaken before.

Are your programs new, programs you had not undertaken before?

Mr. ISENBERG. Absolutely. As far as, I think, Mr. Hardman's apprenticeship program, it has been a vital part of their industry.

Mr. HARDMAN. Yes, always, but is has lagged over the years, hence the present shortage of tool and die makers over the United States.

Mr. ISENBERG. In our industry they claim all the chefs are imported from Europe and no decent apprenticeship has been forthcoming in the last few years. We feel we are the first apprenticeship group to come through in the last 10 years.

Mr. O'HARA. Mr. Hendrix stated that there is an apprentice arrangement in his company.

Mr. HENDRIX. This is true.

Mr. O'HARA. Have you been able to adapt your institutional training program under the Manpower Development Training Act to where it provides some OJT?

Mr. HENDRIX. At least to the point where they can enter and start their on-the-job training.

Mr. O'HARA. In connection with your statement, Mr. Isenberg, we have been talking about the cost of your program and that of Mr. Hardman. Is it correct that after a short initial institutional period, the training goes into an apprenticeship status and starts drawing wages?

Mr. ISENBERG. Exactly.

Mr. O'HARA. I presume that during the institutional portion of those programs a training allowance is paid?

Mr. ISENBERG. If he is the head of the family.

Mr. HARDMAN. Since we have been in the program there has been money for disadvantaged youth who usually do not get into our program. Heads of families are the only ones in our program that draw allowances.

An interesting point in behalf of industry is that in all our programs the tool and die owners participating created slush funds, part-time jobs, and helped the boys over the rough spots in every way they could. They have done everything they could to save them, with respect to finances.

Mr. ISENBERG. We have done the same for half of our boys for various reasons where boys with certain limitations could not participate. We offer part-time jobs, whatever possible to keep them going.

Mr. O'HARA. During the institutional phase, I would assume, aside from direct costs which the institutions are bearing, the costs are paid from Manpower Development and Training Act training allowances if the trainee is receiving an instructional course. To what extent is the Manpower Development and Training Act bearing the costs of the on-the-job training after the trainees finish the institutional phase?

Mr. HARDMAN. The rest of the year? I would say, the balance of the instructor's salary is reimbursed to us because we pay him from that point on. There is a certain amount of time spent on instruction. I think in our case the Government pays for 2 hours a week for instruction in the shop.

There is clerical allowance for general administration of the program. That is about the extent of it.

Mr. O'HARA. Does the Manpower Development and Training Act program in any sense subsidize the apprentice wages?

Mr. HARDMAN. No.

Mr. ISENBERG. The same situation, there is no subsidizing of wages. The boys are brought along through—in fact, we establish minimum wages and notice that most are well ahead of the minimum step-ups. It is the same situation; we have adapted the same system of the traveling instructor-coach and the reimbursement to the restaurant of the 2-hour weekly instruction of its chef which permits us to induce these chefs to take on-the-job training programs.

It is a valuable, integrated effort that works.

Mr. O'HARA. I think we ought to comment on some of the difficulties you have described. One was in connection with getting your programs improved and underway.

One of the amendments would ease that situation somewhat in that it would regularize the program by making it permanent.

Second, the proposed amendments would permit funding out of this year's appropriations, or any particular year's appropriations, the entire cost of carrying the progam though to completion, even though the program itself may extend into other fiscal years.

Finally, the bill recommends a permanent matching provision. It would not be continually in the process of shifting from one kind of financing to another, and then to another.

I understand the Department of Labor has requested an appropriation for the Employment Service to permit it to carry out its responsibilities under this program. It would be an additional appropriation, and I would hope some of you would take an interest in that problem.

Mr. ISENBERG. Is this committee involved at all in the Economic Opportunity Act or any aspects of it?

Mr. O'HARA. The full committee is, but the subcommittee isn't particularly responsible. I was interested in the fact Litton has taken over the management of a Job Corps training project in California.

Mr. CARLISLE. It is a very interesting project, I think the subcommittee will agree.

Mr. O'HARA. When the time comes, I would like to know more about it.

Mr. CARLISLE. I would like to point out the person in charge of that program is now serving at Camp Parks.

Mr. O'HARA. I recall his testimony.

Mr. CARLISLE. This is not Mr. Bodell I am talking about. I am talking of the person in charge and he might be an interesting person to come and fill you in on the operation.

Mr. O'HARA. I agree with the comments of the witnesses with respect to the need for stimulating research in the areas of availability of jobs, the best way to train, and the extent to which we should be working on the motivational factor.

I think one of the really worthwhile results of this program has been the increased awareness of the need to know more about the labor market and the skill needs and training requirements.

Do any of you gentlemen have any comments you would like to make in light of some of the questions asked and the responses from other witnesses?

Mr. Hardman?

Mr. HARDMAN. I would just like, in the final analysis, to point out one thing. We are here, Mr. Isenberg, and I, essentially to peddle the same ideas as you can gather and that is that you and all that have to do with the financing of this act pay more attention to the importance of on-the-job training, its effectiveness, what a tremendous thing it is. It is the shop floors of all the factories in the Nation that constitute the largest training site.

When we talk of institutional training we are talking of the thing I mentioned a few minutes ago, these "quickie" programs in various cities under the Manpower Development and Training Act, or various schools themselves. We would ask you to realize that the public schools have not solved the industrial training problem; most of the training can't be done in any other place than where it is being done right now—in the Nation's factories.

It is the most effective way, if you want to absorb minority group members in large numbers in industry. If you want to break down prejudice and take disadvantaged people in, the only way you are going to do it is let the manager, the employer with a little financial help, do the training himself.

But if you send these people downtown to some public building and train them for 10 weeks and say, "We are going to get you all jobs," the situation has not changed. You are not going to get many jobs. When the employer trains them, he is happy and perhaps all his misconceptions and prejudice are overcome immediately. This is the way you will absorb them. We are doing it, and we have entered these people into skills, industries where they never had a chance before. By virtue of this fact the employer sees the man working in a training situation, he sees he can "cut the mustard" and do the job and make money for him and then all prejudice melts away.

Mr. O'HARA. Mr. Isenberg, do you have any comments?

Mr. ISENBERG. There are two points: one is that we amplify and agree completely just in summing up. Here we also agree on behalf of the small business and medium-size business and the service industries.

We feel that this is an area where association, on-the-job training and assistance can be the greatest asset, and we would like to see some way in which the role of the trade and professional association can be more strongly emphasized.

We know, for example—I mentioned the economic opportunity program—that there was a real role for the trade association to play in developing some of the lower skills following the same type of thing we are doing here, but there was no way, no vehicle at the time.

We consulted with individuals as to where the association could take action in this. There was no provision for our type of organization to do so. We know there seems to be a sluffing off of small business in this program, particularly in the small- and medium-size businesses where the association can take action. We wish there was more they could do in this whole area of training, and would certainly like to see the Secretary of Labor's attention be directed to these resources in those circumstances where he is going to need the most help, and there isn't large, well-organized training programs.

Mr. O'HARA. Let me say the Secretary of Labor is acutely aware of what can be done in that area and, as a matter of fact, there is a provision in the bill directed toward the development of the service industry. The Secretary contemplates working with the trade associations in job development in the service field.

I think this has been a very stimulating session, and I want to thank all of you gentlemen for giving us your time.

Thank you very much.

The Select Subcommittee on Labor will recess to meet again at 10 o'clock tomorrow morning in room 429.

If an executive session should be called in the meantime for tomorrow morning, we will contact the members of the subcommittee with respect to the change in time.

(Whereupon, the hearing recessed at 12:05 p.m., to reconvene Wednesday, February 17, at 10 a.m., in room 429.)

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

WEDNESDAY, FEBRUARY 17, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10:10 a.m., pursuant to recess, in room 429, Cannon Building, Hon. James C. O'Hara presiding.

Present: Representatives O'Hara, Pucinski, Gibbons, Hathaway, Ashbrook, and Quie.

Staff members present: Dr. R. E. L. Knight, director, and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. The Select Subcommittee on Labor of the House Committee on Education and Labor will be in order.

Today we continue hearings on H.R. 4257, H.R. 4270, and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962.

We have asked our witnesses to form a panel to present their statements, and then we will open the questioning to members of the committee.

Our witnesses are Prof. Eli Ginzberg, professor of economics at Columbia University; Dr. Sol Chaneles, director of research and planning for the City of New York, Department of Correction; Dr. Richard A. Lester, chairman of the Department of Economics of Princeton University; and Prof. William Miernyk, Department of Economics of the University of Colorado.

Professor Ginzberg, we will appreciate it if you will identify yourself for the record and lead off for the panel.

STATEMENT OF PROF. ELI GINZBERG, DIRECTOR, CONSERVATION OF HUMAN RESOURCES PROJECT, COLUMBIA UNIVERSITY

Mr. Ginzberg. I have several hats but the one most relevant for this committee would be as Chairman of the National Manpower Advisory Committee. I have been the Chairman since the legislation enacted by this Committee was passed in 1962. We have had a continuing series of meetings of the Advisory Committee, and most of the major amendments have been before us, not as amendments, but as subjects we have discussed.

It is our opinion that after 4 years of expansion, the Manpower Development and Training Act should now be permanent legislation.

With the kind of nagging employment and unemployment problems that we have, it is not possible that an advanced society such as ours

can get on with less training than it has had in the last few years. We definitely favor very strongly making this permanent legislation.

We went into the subject of the 90 to 10 Federal-State formula. The National Manpower Advisory Committee is made up of representatives from different States, and it is clear that while the principle of State legislation is a good one and has been preserved in the 90 to 10 formula, there was danger of lack of participation of some States for financial reasons under the old formula. If we start with the premise it is desirable to have a permanent and large training program in which the Federal Government will assume considerable responsibility, I think the formula of 90 to 10, or something close to it, is necessary. We are in favor of moving in that fashion.

The third point, with respect to the amendment of title I of the old bill: This would permit the Department of Labor to make research grants as well as research contracts. I have had several pieces of experience that may be helpful to the Committee. I sat for 4 years on the National Mental Health Advisory Council under the NIH between 1959 and 1963, during which time the Congress increased the appropriation for this Institute about $50 to $180 million a year. It is quite clear to me from that experience and the general knowledge I acquired about the NIH structure, that on balance the Government will get a better return on its dollars if the administrators of those dollars, the departments, have flexibility as to when contracts are appropriate and grants are appropriate.

The closer you come to basic research problems, the closer you come to the frontiers. It is, by definition, impossible to write a research contract which specifies the terms of delivery of a product. If you knew what the product would be you would not have to study it.

In addition to this experience with the NIH, I have all my life been engaged in research at the other end, as a director of a research team. On the basis of this, I think it is economic and efficient to permit the administrative structure to make grants.

There is another reason; and that is, that contracts have a much tighter terminal date. The contract is written from one date to another. In making a grant, it is easier to set a more flexible time as to when the money is to be spent. I have seen a lot of money quickly spent when it is necessary to spend it before the end of the contract. This is a destructive use of funds. From the point of view of the Government, I would be strongly in favor of the research grant.

With respect to placing the experimental and developmental programs into title I, together with research, makes very good sense. As our committee deliberated and watched the evolution of the Manpower Development and Training Act, we were impressed with the fact, there is a close logical relation between research and experimentation. It is really the hard to employ who represent the continuing challenge to retraining. The rest of the people will more or less have an easier or harder time getting back into work, depending on the general nature of the economy.

If you are the hard-to-employ, to be a major focus, you need again a considerable degree of flexibility in the design of the program and you need to evaluate your design experimentation. We feel that flexibility with respect to research ought to be given a great deal of consideration. This might be called the necessity to build an optimal

research program with ongoing experimentation in order to learn to know whether you are really getting the answers you need.

I am sure that our committee would agree to this.

The next point relates to job creation in the service area. In my prepared statement, I called your attention to one unusual fact that has not been made overt in the past. From 1929 to 1963—I didn't have the data for 1964—in the area of goods produced including agriculture and mining, there has not been a single set job added since 1929. That is a long time ago and it is a fantastic story.

During these years we increased the output of the goods-producing sectors of the economy from about $122 to $311 billion in 1954 dollars. That is, this is the size of the increased output in constant dollars, and, to do this, not a single additional person was utilized.

All the people who found employment in the States where the goods-producing sector underwent a transformation found employment in the service sector. This indicates that learning how to expand employment even further in the service sector is necessary because there is nothing I know about this economy that would lead me to believe the 1929 to 1963 trend will be reversed.

Of the 25 million additional people who found jobs since 1929, every last one found a job in the service sector. The need for the provision in the new act which will try to stimulate job-creation efforts in the service area is amply buttressed by our historical experience.

On the question of labor mobility, I think it is fair to say that in this country we have been very slow to try to offer any special support for people who have to relocate. While it is true that a large number of people in the United States have at least a broken-down car or can jump on a bus, it would be desirable to help those who must move to find employment. It is particularly desirable in some of the isolated communities where people have very little prospect to use mobility allowances for increasing labor market fluidity. Our committee feels this should be a specific experimental approach, aimed as much at learning about mobility as moving specific people. We don't need mobility allowances for the population as a whole. Our population keeps moving around but more and more we have to zero in on the problem groups in the society. This would be a specific kind of help for this particular problem group.

On all of these points, I am speaking for the committee as well as myself. In our records of hearings and discussions we have covered all of these points and feel strongly in favor of them.

There are three points we did not deal with explicitly in our recent hearings, but I would like to give my own opinion. On the bonding provision, I feel strongly that action is needed. Many youngsters who get into trouble early in life have great difficulty straightening themselves around. I have had some experience in the Pentagon with this problem.

A young man with a black mark on his record is not accepted either by the military or by employers. He is left hanging in midair. Anything you can do to avoid permanent damage to these young people and to facilitate and induce employers to pick them up would be highly desirable.

I think our military manpower policies are too stringent. In World War II we had Dr. Lohman's studies of Illinois prisons and studies

from other prisons with respect to criminals and how they performed in the Army. By and large the finding was that they performed as well as any other group.

I am very much interested in second and third chances for youngsters who get into trouble early.

On the question of extension of training to 104 weeks: now we have 52 weeks plus 20, a total of 72 weeks. The key question here is whether the Manpower Development and Training Act should be directed to try to train some of the people in the new technical fields and the semiprofessional areas. Looking at the occupational structure of the country, I would say this is desirable.

The difference between the 72 and 104 weeks may be the difference between pushing certain people through to the next higher level on the occupational scale. The Manpower Development and Training Act should not be just concerned only with helping an individual to get a job, where possible it should be a job with a future.

Since the future seems to hold prospects of these expanding technicians and semiprofessional jobs, I think we would be in favor of trying the 104-week ceiling.

I am in favor of permitting up to 25 percent of all trainees to consist of youths up to the age of 22. Since this tremendous increase of youngsters coming of working age is a crucial challenge in the years ahead, I think that 25 percent is a reasonable proportion.

As I am sure you well know from the Secretary's testimony and others, roughly a million more youths will become 18 years old this year than last year. And each successive year hereafter there will be at least the same number. Those who do not get jobs this year will be around next year in addition to the next class.

The youth problem is an acute one, and I would like to make a point in passing that the newspapers keep missing. They keep saying that the unemployment problem isn't so bad since many of the unemployed are not older men or not heads of families. By and large, they say, the problem is not too bad with respect to white males, heads of households—the unemployment rate among this group is a tolerable level.

They keep saying that the high unemployment rates relate to youngsters. Of course it is the vulnerable people looking for jobs who have the highest rate of unemployment. However, the fact of this tremendous inflow of youngsters is an important fact of the employment picture in the future.

Mr. ASHBROOK. Excuse me, could I pose a question?

Mr. O'HARA. Yes; of course.

Mr. ASHBROOK. Your testimony is very good and I am interested, but it doesn't seem quite consistent with your statements with respect to youth. You speak of high unemployment with respect to the youth of this country and yet you agree with the 25-percent limitation. All you are saying——

Mr. GINZBERG. You want to know why I don't want to go further and remove the 25-percent limitation?

Mr. ASHBROOK. Yes.

Mr. GINZBERG. I was trying to guide myself by the earlier congressional intent; priority should be given to established male heads of households. As long as we have a fair number of unemployed male family heads, the ceiling for youths should not be above 25 percent.

My own preference would be to get it up to 33 percent.

Mr. ASHBROOK. Obviously the highest preference should be given to 45- and 50-year-old adults as against an 18-year-old, but I thought in view of your opinions with respect to the youth problem, you would still prefer a higher percentage.

Mr. GINZBERG. I have not checked it out but I would guess that we would be able to use up the money for adults. However, if we used a 25-percent ceiling on youth and put that many youths in the programs, it would not be turned into a youth program.

Mr. ASHBROOK. Thank you.

Mr. GINZBERG. I want to make a few more comments and then open myself up for questions.

Now, with respect to what is going on in regional manpower committees. The first committee, the west coast regional committee, was inaugurated last spring on the west coast, and the southwest committee was inaugurated in February. I leave tonight for Chicago to inaugurate the north-central regional manpower committee under the Manpower Development and Training Act. We are now ready to move very rapidly with the opening of the southeast committee and the committee in the Mountain States.

It is quite clear that the effectiveness of a manpower program can never be determined solely from Washington because we need the cooperation of industry, schools, labor, and so forth, in specific locales. Under the Manpower Development and Training Act, local committees and State committees have approved the operating programs.

The regional committee has a slightly different point of view. It is a mechanism for trying to look ahead to future employment trends in the region and to alert both regional groups and the National Government to problems that may be emerging. It is also to serve as a kind of critical evaluator on the manpower programs now going on, and to call our attention to matters that could be improved—not from a narrow operational view but in order to coordinate this program with other large programs going on.

I feel very strongly that the regional committees will add leverage in getting returns on what the State and Federal Government have put in. However, in order for the regional committees to be effective they must have a staff to arise them and to prepare studies for them. Therefore, Secretary Wirtz's strong statement about the importance of regional manpower research centers seems to be the counterparts of the movement we are now making to get strong advisory committees out in the field.

These regional committees can support the National Advisory Committee in the field.

That concludes my comments, Mr. Chairman.

Mr. O'HARA. Thank you. We would like to hear the statements of the others appearing today, and then have the questioning and comments by the members of the subcommittee.

Your prepared statement will appear in the record at this point.

(The statement referred to follows:)

SUMMARY OF STATEMENT OF ELI GINZBERG, PROFESSOR OF ECONOMICS, COLUMBIA UNIVERSITY

1. As Chairman of the National Manpower Advisory Committee, I strongly endorse H.R. 4257, which seeks to amend the Manpower Development and Training Act. Although the Committee has not had an opportunity to discuss all of the proposed amendments, I can state unequivocally, on the basis of its

continuing deliberations, that it strongly favors the principal changes including making the Manpower Development and Training Act permanent, the 90–10 Federal-State formula, enabling the Department of Labor to make research grants as well as contracts and including in this broadened authority experimental and devleopment program, job creation efforts in the service areas, labor mobility projects.

2. Although our Commitee has not specifically discussed the trainee bonding provision, the extension of training to 104 weeks, permitting youth under the age of 22 to account for up to 25 percent of all persons receiving training allowances, I personally strongly favor each of these provisions. I believe that each one will enable the program to dissolve particular barriers that currently limit the effectiveness of training and retraining efforts and thereby aid severely handicapped persons in their search for employment or reemployment.

3. During the past 3 years the Manpower Development and Training Act has found that expanded training and retraining opportunities can help significantly to increase the employability of all groups of persons who are currently underemployed. This is not to say that the current structure and operation of the Manpower Development and Training Act cannot be strengthened. It can and should be improved. But I am unacquainted with any broad-band opposition to the continuance and strengthening of this Federal training effort.

4. We are in a period of "underemployment prosperity." Despite 4 years of rapid economic expansion, the unemployment rate still hovers around 5 percent; and when allowance is made for those who are unable to find full-time jobs, those who are underemployed, those who have dropped out of the labor market because they could not find a job; those who have not entered the labor market because of their inability to find jobs—nonemployment amounts more nearly to 10 percent than 5 percent.

5. The American economy has shown great versatility in recent decades in making the many adjustments required by technological and other changes. For instance, we were able to expand real output from 1929 to 1963 in the goods producing sector of the economy in 1954 dollars from $122 billion to $311 billion, without adding any employees. The entire net addition to the labor force—25 million people—found employment in the service sector, including government. But we need to know more, much more, than we now know about the factors facilitating and retarding such adjustments—just as we will need strengthened programs to help those workers and potential workers who must adjust and readjust to an economy undergoing rapid change.

6. The effort that the United States has currently engaged upon to strengthen its manpower resources can succeed only to the extent that we have a substantially enlarged group of qualified persons to work in the manpower field. Manpower and human resources is a new branch of knowledge, and being new, there are relatively few qualified personnel. We must strive to increase the number as rapidly as possible. For this reason, I strongly support Secretary Wirtz' statement before the committee with respect to the establishment of regional manpower research centers. The leading universities in each region must be encouraged to pursue research in depth on crucial manpower issues; they must take the lead in helping to upgrade research and operating people in the manpower field; and above all, they must add to the new supply of well-qualified personnel capable of working in the manpower area.

7. We have come a long way in the past 3 years. If H.R. 4257 is passed, our progress in the next 3 years can be even greater.

Mr. O'HARA. Prof. William H. Miernyk, professor of economics and the director of the Bureau of Economic Research at the Institute of Behavioral Science at the University of Colorado is also with us.

Professor Miernyk, will you identify yourself for the record and proceed with a summary of your statement?

STATEMENT OF WILLIAM H. MIERNYK, PROFESSOR OF ECONOMICS AND DIRECTOR OF THE BUREAU OF ECONOMIC RESEARCH, INSTITUTE OF BEHAVIORAL SCIENCE, THE UNIVERSITY OF COLORADO

Mr. MIERNYK. Thank you, Mr. Chairman.

My name is William H. Miernyk, and I am a professor of economics and director of the Bureau of Economic Research in the Institute of Behavioral Science at the University of Colorado.

I am also a member of the Subcommittee on Research of the National Manpower Advisory Committee of which Professor Ginzberg is an ex officio member.

I will simply summarize the major points of H.R. 4257 on which I would like to comment. I would like to state that I am in strong sympathy with all of the amendments proposed in the Manpower Act of 1965, but I would like to limit my comments to some of the questions dealing with research and development.

Actually, I will repeat to some extent, with minor variations, what Professor Ginzberg has said.

First of all, I would agree that the Manpower Development and Training Act should become a permanent and continuing program. If we view this as an experiment, I think the evidence to date indicates that it has been a very successful experiment indeed.

Secondly, despite occasional popular articles to the effect that automation really is not creating any problems, we still have a persistent high rate of unemployment after the longest recovery in recent history, and the long-run trend in production worker employment in manufacturing is down.

I would agree very strongly with Professor Ginzberg that the Secretary of Labor should be allowed to make grants as well as to enter into contracts for research and for experimental and developmental programs.

The research record under the Manpower Development and Training Act to date, I would say, is quite impressive. While I don't mean this in any sense to be critical, it is true that much of this research is of a pedestrian nature. Some of it is limited to the collection of facts since we don't know enough about the labor market to make all the necessary judgments, OMAT is filling some of these gaps in our knowledge.

The virtue of grants, I think, is that they would permit some experimental research, part of which might lead nowhere, but some of which might be very productive.

There are many high-powered analytical techniques that have not been used extensively in labor market research, and I think some of these should be applied particularly in the field of long-range projections. The Department of Labor has had to be greatly concerned with the problems of today. But it can't ignore the problems of the future particularly in view of the growing number of youngsters entering the labor force every year. Therefore, I would strongly endorse the proposal to amend the act to permit grants as well as contracts.

I also feel the present $3 million limitation for expenditures on manpower research in any fiscal year should be removed. I would not try to guess what the amount ought to be, but this is a rather minimal sum for a problem that has to deal with the vast range of problems about which we know so little.

Finally, I would like to strongly support the proposal to extend the labor mobility demonstration projects to June 30, 1967, and to increase the authorization to $5 million.

I happen to be one of those who does not believe we should not take jobs to workers. I think under certain circumstances efforts should be made to create jobs in labor surplus areas. At the same time I would say we cannot possibly solve unemployment problems by that approach alone, and we shouldn't be wedded to any single approach. Through the labor mobility demonstration projects we can find out the impact on unemployment which resettlement and relocation allowances might have.

These are the essential points that I have made in my prepared statement, and this concludes my formal presentation.

Mr. O'HARA. Thank you, Professor Miernyk.

Your statement will appear at this point in the record without objection.

(The statement referred to follows:)

STATEMENT BY WILLIAM H. MIERNYK, PROFESSOR OF ECONOMICS AND DIRECTOR, BUREAU OF ECONOMIC RESEARCH, INSTITUTE OF BEHAVIORAL SCIENCE, UNIVERSITY OF COLORADO

FUTURE RESEARCH ON MANPOWER PROBLEMS

There is a growing consensus among academic economists that the most pressing economic problem facing the Nation is that of unemployment. A survey of a random sample of economists recently conducted by the Economic Research Division of the Chase Manhattan Bank revealed the following: Unemployment is considered to be the Nation's most pressing economic problem by 34 percent of the respondents to the survey. An additional 23 percent mentioned inadequate growth as our major problem, and 17 percent listed the problem of poverty in first place. These three are not entirely unrelated so that almost three-fourths of the respondents agree that unemployment and the related problems of inadequate growth and poverty are the central economic issues of our time.

The sample of economists was also asked: What is the major reason for our perisitent high rate of unemployment? Thirty-seven percent stated that inadequate demand and structural problems are equally important causes of the high rate of unemployment, while 36 percent listed structural problems (e.g. minimum wage, lack of education, automation, etc.) as the major cause. Thus again almost three-fourths of the respondents indicated that labor market problems, or labor market problems in conjunction with inadequate demand, are the causes of high unemployment.[1] I believe that the results of this survey are significant. Although a similar survey is not available for purposes of comparison, I would suggest that as recently as 5 years ago such a survey might have shown quite different results. At that time economists were concerned about the upward creep in the unemployment rate following recovery from each of the postwar recessions. Judging by the professional literature, however, there was a tendency to attribute this almost entirely to inadequate aggregate demand. Indeed there have been a number of recent popular articles either pursuing this theme or attempting to minimize the employment impact of automation and other forms of technological change.[2] The results of the Chase Manhattan Bank survey suggest, however, that these are now distinctly minority views. An increasing number of economists appear to be convienced that while adequate aggregate demand is a necessary condition for achieving full employment it is far from sufficient. There has been growing recognition that the labor market is highly complex, and that we cannot rely entirely on the market mechanism for bringing together unemployed workers and unfilled jobs.

It is to the great credit of Congress that it did not wait for the shift in academic opinion before taking positive steps to remedy the Nation's most serious economic problem. Enactment of the Area Redevelopment Act, the Manpower Development and Training Act, and legislation launching the more

[1] For complete results of the survey see Business in Brief, the Chase Manhattan Bank (January–February 1965), No. 60.

[2] See, for example, Edwin L. Dale, Jr., "The Great Unemployment Fallacy," the New Republic (Sept. 5, 1964); Peter S. Drucker, "Automation Is Not the Villain," the New Yorker magazine (Jan. 10, 1965), and Charles E. Silberman, "The Real News About Automation," Fortune (January 1965).

recent war on poverty all testify to the fact that a majority in the Congress recognized the necessity of a positive program to create new jobs, to provide for the retraining of displaced workers, and to provide specialized training for those who find it particularly hard to enter the labor force after leaving school.

I will make no effort in this statement to discuss the entire range of manpower programs but will concentrate on the research and experimental aspects of the Manpower Development and Training Act with particular emphsis on proposed amendments to this legislation.

THE OMAT RESEARCH PROGRAM

My interest in manpower research goes back more than 15 years when I first studied problems of labor mobility and immobility with particular reference to the displaced textile workers of New England. As a member of the Subcommittee on Research of the National Manpower Advisory Committee I have followed the research program of the Office of Manpower, Automation, and Training closely and with great interest. In spite of its limited budget, I believe that the research program being conducted and supported by OMAT is one of the most significant in the Nation. Even a casual perusal of the report of research sponsored during the fiscal year 1963 shows an impressive array of research currently being done on a wide range of labor market problems. Some of the research deals with current labor market problems; other projects concentrate on manpower projections in an attempt to anticipate the direction and magnitude of changing employment patterns in the future. There are a number of studies of labor market programs and policies in foreign countries which can be useful in shaping future policy in the United States. Great Britain and the free nations of Western Europe have been far more successful than we in maintaining low unemployment rates since the end of World War II. It is important for us to find out how this has been done, and to see the extent to which successful European programs can be adapted to our needs. It would be both superfluous and tedious to catalog the many kinds of research suported by OMAT; the important point is that this is a soundly conceived and well-administered research program which should result in important additions to our knowledge about labor markets. Such knowledge is of more than academic interest; it is needed if our manpower policies are to be adapted to the Nation's changing needs.

One specific point is worth mentioning in connection with the manpower research now being conducted in American colleges and universities under OMAT sponsorship. In addition to the results mentioned above, these programs are training a new generation of labor market economists. This is important. Even if we should be successful in reducing the unemployment rate in the Nation to a tolerable level, there will be continuing manpower problems resulting from future changes in technology, trade patterns, differential rates of regional growth, and all of the other kinds of economic changes which affect both the level and the structure of employment. The present manpower program is not a temporary one; the need for it will continue. There will be a corresponding need for trained economists and other social scientists to help administer manpower programs, and to do the research that will always be required in a constantly changing world.

EXPERIMENTAL AND DEMONSTRATION MANPOWER PROGRAMS

The experimental and demonstration programs carried out under the Manpower Development and Training Act are almost as varied as its research program. Some deal with disadvantaged youth, some with minority groups, others are concerned with older persons, or those with minor mental and physical handicaps. Numerous studies have shown that the incidence of unemployment is not randomly distributed; unemployment bears most heavily on the young, nonwhite workers, displaced workers past middle age, and those who are lacking in specific skills or basic education. A long-term goal should be the improvement of educational opportunities for all Americans and raising the overall level of educational attainment in the Nation. We cannot wait, however, for the day when no one will be barred from a job because of a lack of education. The experimental and demonstration projects are designed to show what can be done here and now to prepare the disadvantaged unemployed for productive employment. The experimental and demonstration programs which have been supported by the Office of Manpower, Automation, and Training thus far reach virtually all types of disadvantaged persons on a sample basis. The hope is

that these programs will have transfer value; that their results can be used to aid in the testing, counseling, training, and placement of others who cannot be directly included in the experimental and demonstration projects.

PROPOSED AMENDMENTS TO THE MANPOWER DEVELOPMENT AND TRAINING ACT

The Manpower Development and Training Act has been in effective operation less than 2½ years since the first retraining programs were authorized in September of 1962. Although the act has been operating a relatively short time, in my opinion it has already demonstrated its effectiveness. If the OMAT program is viewed as an experiment it can be considered a successful one. In his testimony of February 5, 1965, Mr. Ivan Nestingen, Under Secretary of the Department of Health, Education, and Welfare, pointed out that 305,000 trainees had been approved for institutional training projects by January of this year, and about 85,000 trainees had completed manpower development and training programs. The placement rate of these graduates has been 73 percent, and 9 out of 10 placements were made in jobs for which the individual worker was trained. This is an impressive record. It shows what can be done to prepare unemployed workers for jobs. It is now time to alter the experimental status of the manpower program, and to make it a permanent part of the continuing program of the U.S. Department of Labor.

It would be tragic if the Manpower Development and Training Act were allowed to expire in June of 1966 regardless of what the unemployment rate happens to be in that month. Experience of the past 15 years has demonstrated clearly the need for a continuing manpower program. There is evidence, however, that the original Manpower Act needs to be amended in a number of ways. While I will not attempt to comment on all of the proposed amendments contained in H.R. 4257, I would like to say that I am fully in accord with the spirit of the proposed Manpower Act of 1965. Specifically, I strongly support proposals to: (1) Make the Manpower Development and Training Act program permanent and continuing, (2) allow the Secretary of Labor to make grants as well as enter into contracts for research, experimental, and developmental projects, and (3) remove the present $3 million limitation for expenditures on manpower research and experimentation in any fiscal year. I would also like to voice strong support for the proposal to extend labor mobility demonstration projects to June 30, 1967, and to increase the authorization for expenditures for such projects to $5 million in any fiscal year. I will comment briefly on each of these proposals.

First, it seems to me that the case for a permanent manpower development and training program is self-evident. Throughout most of the period since the end of World War II the Nation has been plagued by serious unemployment problems. European experience shows that high-level unemployment need not be tolerated in a free and democratic society, and it has further demonstrated that a combination of fiscal and manpower policies are required to maintain an adequate rate of growth and to minimize unemployment. I feel that the success of the manpower development and training program to date is sufficient warrant for it to become a continuing part of our manpower policy. Indeed, there is a strong likelihood that as the program continues, and as it deals with increasingly hard to place workers, a more intensive effort will be required to reduce unemployment to a tolerable level by which I mean the largely frictional unemployment which appears to be inescapable in a free-market economy. It is not likely that this goal will be achieved by June of 1966, but even if it should be approached it would be a grave mistake to assume that market forces alone can be relied upon to match unemployed workers and available jobs beyond that date.

As the research projects currently being sponsored by OMAT are completed and the results are published, we will learn more about the operation of the labor market. This is not a suggestion, however, that further research will not be needed. Indeed, successful research on economic and social problems frequently raises as many questions as it answers. Clearly, the research program will require careful management. There should undoubtedly be some limit to replicative studies. The same problem can and should be studied under different economic conditions, and in different places, and the results of various studies compared. At some point, however, a clear pattern of results might emerge, and at this point OMAT will have to make a judgment about the desirability of supporting further studies of the same kind. The object should not be to support research qua research, but to support the kind of research which will provide

the greatest amount of guidance to those responsible for the Nation's manpower program. I do not know if the day will come when we will know enough about the operation of labor markets to call an end to research. I doubt, however, that this will happen. The history of economic analysis shows that as men have learned to cope successfully with one kind of problem others have cropped up. In a constantly changing world I doubt that there need be any serious concern about technological unemployment among research economists. But regardless of the indefinite future I am confident that we need much more research on labor markets than has been completed thus far.

While I would say that the present research program of OMAT is excellent in coverage, and that the results of projects currently underway should prove useful, a case can be made for the support of research using highly experimental techniques which might or might not produce useful results. Much of the research on manpower problems to date has been fairly pedestrian, and in the present state of our knowledge this has to be so. Although much has been learned about the operation of labor markets in the past two decades there are still gaps in our knowledge, and these have to be filled by fairly routine research projects. It is possible, however, that we should do more with experimental techniques in making long-range projections, for example, and I am sure that there are other areas where a certain amount of "risky" labor market research should be encouraged. This is one reason why the Manpower Development and Training Act should be amended to permit grants for the conduct of certain types of research. Grants often provide a degree of flexibility which research contracts do not, and it is entirely possible that some experimental research would be stimulated if grants could be awarded.

The budget of $3 million is relatively modest for a research program which must deal with the myriad labor market problems of today as well as those which we might be faced with in the future. While I will allow others who are more expert in these matters to suggest a feasible range of research expenditures in any fiscal year, I am convinced that the present research program of OMAT should be expanded.

Finally, I would like to comment briefly on the proposal to extend the Secretary of Labor's authority to conduct labor mobility demonstration projects, and to increase expenditures on such projects. One noticeable difference between manpower programs in some of the countries of Western Europe and the program which is emerging in the United States is that in this country we have placed much less emphasis on relocation. I do not go along with those who argue that jobs should never be brought to workers; indeed, I am a strong supporter of the view that the Government should participate in job-creating activities in labor surplus areas. At the same time I think it desirable that OMAT continue with an expanded program which attempts to stimulate geographic mobility through relocation allowances. The Nation's manpower program should not be wedded to any single approach. We should experiment with all feasible techniques for achieving the goal of national full employment.

Mr. O'HARA. Having heard from two members of the Manpower Advisory Committee, we would now like to hear from someone who is not a member of the Committee, Dr. Sol Chaneles, director of research and planning for the city of New York, department of corrections. Following Dr. Chaneles' presentation, we will have the statement of Professor Lester.

Dr. Chaneles, without objection your prepared statement will be printed in the record at this point.

(The statement referred to follows:)

STATEMENT BY SOL CHANELES, PH. D., DIRECTOR, RESEARCH AND PLANNING, NEW YORK CITY DEPARTMENT OF CORRECTIONS

A cardinal tenet of the democratic credo holds that, independent of social origin, one can achieve a desired position in society through self-improvement and personal industry. This "mobility ideal" has never, in the Nation's history been realized. The children of the economically privileged become as well off or far better than their parents, in contrast with the children of poverty who remain rooted in conditions of severe economic disadvantage.

The general improvement of the Nation's economic well-being has altered the quantitative determinants of poverty but has affected neither its persistence nor quality.

We have learned a few things about the phenomenon of poverty: (1) Economic deprivation is not produced by biological factors; (2) urbanization and technological advances do not determine poverty's magnitude or quality; (3) incomplete high school education and other social deficiencies merely describe the poor, but do not explain why poverty persists. The only positive explanations that have appeared in recent years tend to recapitulate economic doctrine current in European circles during the 19th century. These propositions, such as the theory of "structured unemployment" and the "dominant social group," are as inadequate in reference to the American scene in 1965 as they were in 1865.

Inherent in most recent legislation dealing with the problems of the economically deprived are ideas and policies which converge on the sociological concept of status. The legislative thrust is directed at upgrading the low status individual, the low status worker, the low status segment of the population. A weakness in the logic which underscores this emphasis inheres in failure to fully assess the implications and body of knowledge which has developed around the concept of status. I contend that manpower development, training, and related programs are now facing and will continue to face operational obstacles, needlessly permitted through insufficient attention to the theoretical bases of their underlying policy.

A social status involves a whole range of predispositions to behave which go far beyond all the possible actions described in the word which defines the status. For example, to be a "worker" means considerably more than holding a particular kind of job or entering labor market statistical tables as a cipher; it means "being someone," holding certain rights and privileges, being expected to do or not do, believe or not believe, be committed or not committed to alternative ways of behaving. To be a worker involves moving into a way of life whose momentum is difficult to contain, whose direction is difficult to reverse. The status of poverty implies a way of life—with its own rules, aspirations, beliefs, antagonisms, and privileges; it represents much more than an aggregate income below an arbitrarily fixed point; it is neither produced nor perpetuated by nebulous environmental forces nor by the interplay of abstract notions. Many of the children of poverty succeed in transcending the status handicaps imposed at birth; for them, powerful, long-range aspirations and personal discipline have made it possible to enjoy economic well-being and a genuine upward change in status.

An important theoretical and policy problem regarding the low status segment of our population is how to rapidly upgrade their present dismal level of well-being through a more active participation in and contribution to the Nation's economy. The torpor of the low status population is more significantly produced, maintained, and reinforced by the sinking despair inherent in its "way of life" than by economic doctrine or restrictions and repressions imposed by a more advantaged population.

Education has increasingly come to be seen as an important instrument for stimulating an upgrading effect. The role of education in relation to manpower development and economic well-being, however, has never been adequately evaluated or investigated. It may very well be that the current, overly structural view of society and the economy may be producing a systematic source of error in exaggerating the importance of the educational factor. Education varies concomitantly with income, and it would be more profitable to view it as a descriptive characteristic of a population than as an etiological factor.

Recent federally supported programs addressed to the problem of the chronically unemployed, the school dropouts and the poor which emphasize manpower training and placement in entrance level jobs are likely to produce a desirable short-term impact in relieving immediate symptoms of inadequacy and deprivation. In the long run, however, we are likely to view many of these programs as limited "stop gap" measures which will neither have served to alter the self-perpetuating dynamics of poverty nor of having contributed in any enduring way to the well-being of the economy.

The need for expanding existing programs and promulgating a broadly based, accelerated program of research into the complex issues concerning the total person and the total economy is imperative.

Youth is probably the most formidable problem yet to confront this Nation. The growing ranks of the school dropouts coinciding with the expanding reservoir of the young unemployed, the increasing difficulty of placing relatively unskilled

workers in a labor market demanding more "gray matter" personnel than ever before in specialized areas needing high level general education and technical aptitude, combine to create what history may refer to as the wasted generation.

The tragedy of youth today lies not in the fact that its plight is ignored by Government. Far from it. In monetary terms alone, 1962 saw over $2 billion expended on a dazzling array of educational efforts. The years 1963–65 have seen a virtual doubling of this amount with the proportion of expenditures directly concerned with the problems of youth showing a considerable expansion. Government is vitally interested—it has recognized with emphasis and clarity that the Nation's future hinges on the education of youth. The explosive realization of new programs designed to broadly increase opportunities for youth to become involved in the fabric of the social process is as thrilling as it is long overdue. The tragedy of youth is very simple. Except for a nebulous stricture to "keep out of trouble," youth has not been provided with a clear-cut set of expectations which provide attractive opportunities for self-improvement through contributions to the improvement of society.

Youth craves certainty, clear standards, attainable promises, discernible ends, and we have failed to provide them with these. Instead of affording them a stake in the future, we are relieving the symptoms of change and complexity by giving them a momentary "break." The immediacy of the "break" in terms of massive opportunities for short-term financial independence is not, in my opinion, likely to provide the mental and spiritual stamina required to propel youth into productive maturity after the wasted years—years during which much has been given, but too little expected.

Youth, especially from economically and socially disadvantaged homes and neighborhoods, is asking what it has to look forward to as it aspires to roles of father and breadwinner; it is asking what are its obligations as future taxpayers and adult citizens. It is not, however, the vocational trainee, the job apprentice, the remedial education student that wants to know what is expected of him and how he can prepare for mature and constructive adult roles, but a total person.

The decreasing number of youths who financially contribute to the support of their aging parents, their increasing determination to drop out of school, the mounting volume of youthful crime reflect, as I see it, not corrosion of the basic values of our society, but adjustment stress-points highlighting the need to know considerably more than ever before about these stress-points. Partial solutions, such as seeking to increase the age specific average number of school years completed from 10.4 to 11.4, or in filling so many thousands of semiskilled jobs at the entrance level are not likely to produce either sound knowledge or positive, long-range results. Rather, we ought to address ourselves to the total personality, in his physical and social environment—the human creature, intellectual, social, spiritual, and economic. To solve the problem of increasing youth employment we must increase our concern for overcoming youth's inadequate work discipline, and through novel counseling methods, help youth to formulate for himself and to courageously commit himself to a long-range plan of self-improvement.

Earlier, I referred to the "way of life" of the poor. An important feature of this "way" comprises a set of self-deprecating and self-perpetuating behavioral trends which have a relatively static quality. National policy is committed to a major upgrading and general improvement of the deprived population. I think it is very important to ask whether the plethora of new programs will really generate patterns of innovation and diversity which, in the long run, will serve to perpetuate the developmental spark, or whether these programs will merely raise the poor to a higher economic level while preserving both its static homogeneous quality and the sharp contrast with the more advantaged groups who, in time, will be still further advantaged.

If my understanding is correct, namely: that the low status population is characterized by a self-deprecating ideal, then it is fitting to ask how national policy can counter with a trend that inculcates a self-improvement ideal? To what extent are we recognizing the diversity of inherent social and behavioral differences between groups, to what extent are programs providing for substantial differentiation in opportunities and for varied rewards where greater personal investment of effort is expected and where greater achievements are realized. I think the long-range benefits of manpower programs will be enhanced highly by diversified programs aimed at stimulating diverse skills, imaginative

workers and talented people. If one of the major long-range labor-market demands is for professional and subprofessional technicians, the general capacities, inventiveness, and intellectual flexibility required in these jobs impels the implementation of programs designed to stimulate excellence and not the mediocrity characteristic of mass homogenity. If the disadvantaged are differentiated from the more privileged, then it is logical to increase, quantitatively and qualitatively the differentiation of opportunities.

Earlier, I discussed some of the general background problems affecting the disadvantaged, as well as some of my concerns with job training. In my experience with deprived youth, and especially with a segment of the Nation's youth which comprises the most threatening to the Nation's well-being and most vulnerable to the inroads of poverty, the most critical region in the upgrading process is the period of time from the completion of training to a point several weeks after placement in the job. It is during this transitional period when the latent content of training begins to upset the balance of youth about to embark. with heightened fears and uncertainties on a long awaited journey into the world of work, when the static "way of life" of the immediate past begins to work its appeal and creates a "drag" effect, when the total range of normal, relatively innocent, questions which taunt all youth who are about to enter a job: "What will my coworkers think of me;" "What will my employers think of me"; "Will I do well"; "Will all of my personal shortcomings show"; are suddenly brought into sharp focus and pose for the youth a major life crisis. The outcome of the crisis will depend on events which take place during the transition period, the conflicting demands of past and future, what kind of assistance is available, and how it is made available, and finally, how the employer community responds to the fledgling worker.

At present, there do not exist at any level of government a transitional work orientation program whose primary functions are to narrow the period of time between completion of training and job placement or further training, coordinate an orderly exposure of youth during the transition period to a variety of business and industrial practices and contacts with responsive personnel and to integrate a program of supportive services with a pattern of resolving special barriers to satisfactory adjustment to work. The provisions of the act, especially the expansion of title I programs, heralds major inroads into some of these problems.

A particularly promising method for eliminating one major obstable is the provision for trainee bonding demonstration projects. My experience in attempting to place released young offenders who have received job training while in confinement has revealed that bonding is closely interwoven with the extremely complex pattern of training and placing the undereducated and underemployed. The bonding demonstration projects will permit an assessment of the relative importance of the bonding issues viewed against the background of other interrelated factors. Carefully developed designs for research on the bonding issue will permit answering questions which are frequently bypassed when the placement problem is too closely identified with bonding. The bonding problem tends to be more significantly related to other, nonplacement, thus less salient issues. A brief review of my experience in this regard might illuminate the complexity of the issue. The large firm is usually covered by a broad liability "blanket bond" for all of its employees. Should such an employer be ready to hire an employee with a correctional record, he might wish to have a separate bond written by an insurer other than the one underwriting the blanket bond. Now, the relatively low cost of a bond, generally between $10 and $15 affords the insurer an extremely small profit margin, owing to the heavy administrative expense in writing the bond. The very small firm, on the other hand, is not likely to require a bond, preferring a selective hiring pattern which normally excludes the high risk applicant. Thus, it has been necessary in developing a bonding pattern for offenders released in the New York City area to attempt one solution to the bonding issue by approaching it from the standpoint of a "group insurance" underwritten for a trustee who will act in behalf of thousands of released offender-clients who may be placed in as many different establishments. Employers who have hired well-trained released offenders have had favorable experience; insurers see the risk for bonding released offenders as generally limited to a small profit margin. Needless to say, each labor market is likely to pose other problems regarding the bond. I am also somewhat uneasy about criteria for trainee eligibility under section 104. Manpower Development and Training Act programs have had, unfortunately, too

little involvement in training projects conducted in short-term correctional institutions. As a result, relatively few of the most disadvantaged, undereducated, and undertrained youth, who, in addition, are stigmatized by a correctional record, have been trained in Manpower Development and Training Act programs. Such youth find it extremely difficult to obtain adequate placement services through the public employment offices at a time when the transitional pressures toward recidivism are greatest. If the eligibility criteria under this section are limited to youth with arrest but not correctional records, we will miss an extremely important opportunity for expanding our knowledge about a group which is especially difficult to place.

The excitement, imagination, and monetary support generated by the Federal Government for manpower and educational programs is nothing short of a splendid wonder to behold. The increasing support for social and behavorial science research into the myriad problems posed by poverty, automation, and unemployment and the more effective utilization of research findings to consolidate social and behavioral knowledge will no doubt provide precise guidelines for the shaping of national policy in regard to how, why, and what kind of approach works best and what is its net gain for the individual and society. One of the most soundly based and pioneering research efforts is the creative program undertaken by the Manpower Development and Training Act in title I. These title I research efforts reflect a high level of conceptual and technical sophistication integrated in a rigorous multidisciplinary approach to manpower and related questions. I should point out that the title I research programs have set most exacting standards in attempting to find highly specialized answers with sound and due recognition of the need for a total approach to the total person in a highly complex social and physical environment. Title I has hardheadedly insisted on a multifaceted research approach to many of the most persistent problems of our time. Through these programs we are already learning a great deal about how to effectively cope with complex manpower issues, and, at the same time, have added to our basic fund of knowledge about people. The amendment to title I of the act is a most significant provision and will have a desirable effect in accelerating the cumulation of valid knowledge required for solving long-range as well as day-to-day manpower problems.

Mr. O'HARA. Dr. Chaneles, will you identify yourself for the record and proceed with your statement.

STATEMENT OF DR. SOL CHANELES, DIRECTOR, RESEARCH AND PLANNING, NEW YORK CITY DEPARTMENT OF CORRECTIONS

Dr. CHANELES. I am the director of research and planning for the City of New York Department of Corrections; I am also study director of several research projects supported, in major part, by Federal funds, concerned with ways of returning or restoring offenders to their homes and communities in useful and productive roles.

I think some background is necessary here in order to find out why I am particulraly interested in the amendments to the Manpower Development and Training Act. At this moment there are about 15,000 to 16,000 20-year-old youths behind prison bars and in a year's time about 500,000 go behind prison bars. Most of these youths have dropped out of school, are reading at the fifth- to sixth-grade level, and the majority come from particularly disadvantaged homes and communities.

Many of them, when they get into difficulty, and are sent behind prison bars feel that life has ended for them. When they get out a few years later, they know that life has ended for them. They have no marketable skills, they have very disrupted home and neighborhood environments to return to, and employers have traditionally not wanted to have anything to do with them.

About a year and a half ago a rather novel attempt was developed to deal with this special problem population, youth behind prison bars.

We assumed that if we provided imprisoned youth, most of them school dropouts, with marketable skills and tried to find them jobs and made provision for supportive services after they were released from prison, we would be able to return them to the economy and reduce the high rate of return to prisons.

We thought we might also be able to reduce some of the high rate of dependency on public assistance programs which characterizes their families.

This novel approach was formulated as a research project; it is known as the restoration of youth through training program, and is being carried out under contract with OMAT. This is no longer a "promising" program, it is a program of solid achievement.

I would like to summarize some of the findings of the project. Contrary to the general expectations of the employer community, we found that high school dropouts from deprived homes, heavily stigmatized by a prison record, can be trained to a high level of skills necessary to move into job markets where there is a good demand.

We found we can train undereducated and undertrained youth while they are in prison, raise their reading level, raise their aspiration level, and, in addition, prepare them with a self-management program to show what life can be like when they are able to return to society as a working member of that society.

We find that, after release, we can place these youth in jobs where their performance is rated by their employers as excellent or highly satisfactory in every respect. These youth can and do settle down to work and to hope for the future. Some of them have married at 18, 19, and 20 and already have children. Their employers are giving them raises and increased responsibilities.

Our findings suggest that, more than ever before, it is necessary to find new ways of dealing with this special problem population and particularly during the period following release from confinement.

Nationally, about 9 out of 10 youths who have been in prison return to prison within 5 years of release. The greatest proportion return within 3 months after their release.

Through the restoration of youth through training program, supported by title I we are learning just what it takes by public cooperation in working with youth, how to stimulate public officials and community leaders to assist in the process of returning youth to acceptable roles and satisfactory jobs in the community.

One provision of the act which is particularly promising is the bonding demonstration project. This section has some problems which will have to be resolved. Our experience in the last year and a half has been that many employers are eager to provide jobs to highly trained youths but want a bond to idemnify the firm against loss. Bonding companies, generally, won't write the bond for youths who have been in prison.

It is very important that the bonding demonstration project be tied in with a serious program of research in order to determine how these projects can most effectively be related to local hiring policies in the various labor market areas. The bonding problem in New York City is probably very different from bonding problems around the country.

The bonding demonstration project will serve a very important function in further educating the public to the serious employment difficulties of many of our youth.

There has been considerable public interest shown in the Manpower Development and Training Act supported restoration of youth through training project. Last year, over 100 persons including officials from the Federal Bureau of Prisons and other State and local institutions, visited Rikers Island to find out how the program helped to get youth into jobs and keep them out of trouble.

There is some indication that this program will serve as a model for correctional institutions around the country and in related programs concerned with special problem youth.

In regard to the act's provision for the lifting of the ceiling on research expenditures, my experience with the Manpower Development and Training Act in the last year and a half has been that it has taken a rather unique and comprehensive approach to problems of the total personality. Manpower Development and Training Act research has, creditably, not limited itself to the economic aspects of youth problems at the expense of social and psychological factors. This broad approach enhances the research potential of Manpower Development and Training Act and the lifting of the ceiling is a highly desirable provision of the act.

That is all I have to say at this point, Mr. Chairman.

Mr. O'HARA. Thank you very much, Dr. Chaneles. I understand I have mispronounced your name.

Dr. CHANELES. You are doing very well.

Mr. O'HARA. Now we will hear Prof. Richard A. Lester, chairman of the Department of Economics at Princeton University and chairman of the Subcommittee on Research of the National Manpower Advisory Committee.

If you will summarize your statement, we would appreciate it very much.

STATEMENT OF PROF. RICHARD A. LESTER, CHAIRMAN OF THE DEPARTMENT OF ECONOMICS AT PRINCETON UNIVERSITY AND CHAIRMAN OF THE SUBCOMMITTEE ON RESEARCH OF THE NATIONAL MANPOWER ADVISORY COMMITTEE

Mr. LESTER. I will attempt to summarize my statement. First I would like to set forth here that manpower research over the past 10 or 15 years has, so to speak, been in a second-class situation with respect to research in general in the social sciences or even in the general field of employment, because the interest and excitement and the attention have tended to be taken by the collective bargaining, labor-management relations, and labor legislation aspects. So, if you look at the people who are trained in the graduate programs of universities and the thesis subjects they select, you will find the manpower field is the one that has gone down, on a whole, until quite recently.

That is taking the whole period from, say, World War II on.

I try to show, by the number of examples, the need for research in this area. There is a large amount of ignorance in basic concepts, whether it is mobility and how much mobility we want, or whether it is dealing with the question of how best to overcome shortages in

different kinds of occupations, or how much shortages are a question in different cases of a differential in wages or a question of differences in living conditions, working conditions, and other factors, including social and psychological factors.

We also have not made a really adequate study of the difference between the internal and external labor market. The internal labor market concerns mobility within the company, people being drawn in at the bottom in the hiring in jobs as yard labor or helper, or something else, and then being promoted through seniority on up through the production jobs in the company.

Some of the studies show that much of the mobility occurs this way and the standards for promotion and getting into higher level or white-collar jobs may be different in large companies than in the external market, which concerns movement between companies.

Large employee benefits relate to the internal market rather than to the external market. They may serve to prevent some needed labor mobility. We don't have an adequate basis economically for deciding what is the best way of dealing with mobility aspects of benefit-seniority ties to particular firms.

The political, social, and psychological factors are very important, in deciding how much we should spend in different areas, whether counseling, training, testing, or information. We have not had the comparative studies we should have between what we are doing in this country with respect to different manpower functions and areas and what is being done abroad.

We are just getting some of these studies. The point I am making is that we have a great deal of basic ignorance because of the lack of adequate research. The money for research in the labor field has been going more heavily to other areas than manpower.

In my opinion the success with research under the Manpower Development and Training Act has been remarkable in view of the handicaps with which it started, not only in terms of total funds available, but the setting up of completely new arrangements for handling this. If you will look at the report on Manpower and Automation Research, sponsored by the Office of Manpower, Automation and Training, July 1, 1963, to June 30, 1964, you will see that it discusses 68 projects in various stages of completion, and I think, on a whole, it is a good group of projects.

The research program has suffered at first perhaps from a delay in working out exactly the areas to push and working out priorities, but I would refer you to three studies. It seems to me that these three, which are either completed or close to being completed, are indicative of the importance of some of the research in those 68 projects.

We have not made a great deal of progress yet basically in automation research with respect to manpower. Perhaps there is more hope there in the future.

In addition to the research projects coming along and which seem to be providing very worthwhile and interesting information, the organization for research within the Department of Labor and between the Department of Labor and the Department of Health, Education, and Welfare, seems to me to have been greatly improved in the last year, so there is not so much duplication and there is more coordination in the strategy of attack on these problems.

I would not, however, be too disturbed if there were some apparent duplication because in this field we have so much to learn that people coming to it with different approaches are likely come up with somewhat different results, the results qualified, of course, by the conditions under which the study was made.

With respect to research grants in contrast to contracts, I won't go into that in detail at this point. I indicate some of the advantages, in terms of flexibility, of grants over contracts, but I indicate the distinction between them may be somewhat blurred in individual cases.

Concerning the experimental and demonstration programs, it seems to me they are particularly important. Their results can perhaps provide considerable insight and new ideas because they are not designed to be definitive.

With respect to job development programs, I would emphasize what I say in my prepared remarks, because it seems we are entering into an area with great potentiality but it also has some problems. My reference is mainly to what I call the "suburban area" in contrast to the "urban area" which gets into getting jobs not only on public property but repair and maintenance and upgrading in apartment housing and other aspects of congested areas.

Now, in the suburban aspects it seems that jobs in and around the home hold great promise for expansion. What we need, as Professor Ginzberg mentioned, is to get people into the service area, which may mean some moving from manufacturing, mining, and other types of physical exertion into the service lines.

In and around the home there are tremendous opportunities for developing additional jobs, I think. If we can work out the kind of proper organization and scheduling and administration, this can be done. I think if anybody has lived in a suburban community, he is very much aware of the extent to which housewives and husbands would be pleased to have people who would be able to come in on a part-time or 1-day basis, or possibly a 2-day basis, to do these various duties around the home, ranging from window washing, painting and repair of structure, and maintenance and repair of kitchen equipment to working on the yard, trees, garden, and other things of that sort.

One of the problems is scheduling and responsible administration. We do this for agricultural workers. The Employment Service schedules for migratory labor and other types of casual labor. We could and should do a great deal more of that sort of program in the service area.

You do have a problem of personal security in this area. A problem of protection against thievery or physical protection, whether justified by the housewife or not. She wants only responsible people to work in and around the house. Unless you have some kind of organization properly set up with some kind of responsibility there will be that fear, and that tends to block, to some extent, the employment of people in and around the home.

You have also here a great deal of what I might call a caste system. For example, in my community, some Negroes have gone into a firm for window washing. Those fellows could go into house painting but, of course, they won't. You know the reason for that and I won't go into it. But the result of a shortage of good painters is that a number

of husbands and wives in my university paint part or all of their own homes.

They wouldn't do this if there was a good arrangement for such painting, and it is not just a question of price. I know a fellow who has waited 2 years and still hasn't gotten his house painted, although we are told there is a great surplus of painters in Newark. It doesn't take so much training or experience to do this sort of outside and simple inside painting. I used to do some of it as a painter-helper when I was working my way through school. We really have a lack of proper organization though for that kind of work.

To some extent you have to recognize that there is a question of cost. You have to pay $7 or $8 when anybody comes and looks at any piece of kitchen equipment in my community, whether he looks at it 5 minutes, or any period less than half an hour. Of course, a housewife doesn't like to call him in to look at a piece of equipment for 5 or 10 minutes at $8, so maybe it isn't fixed.

Then, of course, the husband works around on it and sometimes it really is fixed.

I could take other cases, but it seems to me that there is a wide area here where we are blocking jobs partly because of lack of organization, partly because of traditional ways of looking at it, and partly because of lack of training.

There will be problems in working it out, but I think there is a tremendous potential here.

With respect to training allowances, perhaps I have a different point of view than many on this matter because one of the areas on which I have written a great deal is unemployment compensation.

I personally would prefer to make a sharp distinction between unemployment compensation and benefits while training.

Abroad in some countries there is a tieup between them but much less than here. In Europe, the spread between the top and bottom wages is much more narrow than here and there are children's allowances. In some countries training benefits are a flat amount for all. I would prefer some distinction, based on individual circumstances and future prospects.

Unemployment benefits in many States are based on earnings in a particular quarter in the past. In my State a worker only has to earn $255 in the base year in order to qualify for unemployment benefits. And he only has to work 17 weeks. In some States he doesn't have to work that long and he can qualify by earning $500 or $600 in a year. He could earn that in 7, 8, 9, or 10 weeks. What you may be saying is: OK, you earned that amount in that quarter and we are going to base your training allowance completely on that."

The training may be, in a completely different occupation. It seems to me a year or 2 years' training allowance, based completely on eligibility for unemployment benefits, is a mistake.

It mixes up unemployment compensation for wage loss as a right and training allowance. We are moving away from a strict tieup with dependents' allowances, but not as far as I would like. Only 11 States have dependents' allowances under unemployment compensation. We propose to say to a worker you can have $10 more than your unemployment compensation and up to $20 more in dependents' allowances. I think we should seriously consider whether we should

not break completely with unemployment compensation because that is geared to wage loss based on his past record.

We should look forward to what is necessary so the fellow can go through a training program, and when he gets out his new compensation presumably will not be related directly to his previous compensation.

I believe that concludes my statement.

Mr. O'HARA. Thank you, Mr. Lester.

Without objection, your statement will appear at this point in the record:

(The statement referred to follows:)

STATEMENT BY PROF. RICHARD A. LESTER, CHAIRMAN OF THE DEPARTMENT OF ECONOMICS, PRINCETON UNIVERSITY, ON 1965 AMENDMENTS TO THE MANPOWER DEVELOPMENT AND TRAINING ACT

I am Richard A. Lester, professor of economics and chairman of the Department of Economics at Princeton University. I am also Chairman of the Subcommittee on Research of the Natioal Manpower Advisory Committee.

My remarks will deal chiefly with research under the Manpower Development and Training Act and the proposed amendments to section 102(5) and the proposed new paragraphs (6) and (7) for that section. After that I shall make a few comments on training allowances.

MANPOWER RESEARCH: AN UNDERDEVELOPED AREA

Research in the manpower field was minimal outside the Government before the end of World War II. Even in the late 1940's and the 1950's, most of the university labor research agencies and the professors in the labor field directed their research to unions, union-management relations, collective bargaining, and labor legislation. Consequently, the manpower field lacks an adequate foundation of research findings upon which to base private and public policies, and manpower experts trained for research in the field are relatively small in number. The numbers have not expanded much because few of the able graduate students have been attracted into the manpower field in recent years.

Thus manpower policy and manpower programs are handicapped by the lack of an adequate analytical base and an understanding of the manpower consequences of particular actions. There is a serious problem of testing hypotheses, and of developing adequate research resources for working out answers to issues in the manpower field.

For example, we need to know much more than we do about the best ways to elminate manpower shortages in particular occupations, especially those with a long leadtime of preparation. We need to know much more than we do about how youngsters select careers and how career selections may be influenced. We need to know much more than we do why certain job vacancies remain unfilled—how much it is lack of trained people, how much it is a failure of our market mechanisms to match men and jobs, how much it is a failure of employers to plan their manpower needs in advance and prepare for them or the insistence of employers on needlessly high hiring standards across the board.

As another example, take the area of labor mobility. We strongly favor mobility, but we resist and oppose labor turnover, and we reward employment stability in our unemployment compensation taxes. In fact, under experience rating we reward employment reduction if it can be achieved by attrition. We need to make a thorough analysis to determine just what kind of labor mobility we want and how much of it under what conditions. We need to investigate the problems of getting blue-collar workers to shift into white-collar work. What are the difficulties of getting blue-collar workers to transfer from mass production industries with contracting plant employment and high-wage-benefit levels into the expanding service branches of the economy with low-wage-benefit levels?

We need to study the real benefits (individual, community, and national) from various types of training and compare the gains with relative costs. Such cost-benefit analysis should also be applied to other manpower activities. For instance, cost-benefit calculations should be attempted for the different

functions of the public employment service, for different parts of our program of vocational education, for activities under labor mobility demonstration projects.

To cite just one more illustration, we need to improve greatly our program for the projection of manpower requirements and supplies, especially by occupation and by related skill groups. For that we probably need a system of manpower classifications or accounts that is more useful for planning purposes.

RESEARCH PROGRESS UNDER MANPOWER DEVELOPMENT AND TRAINING ACT

Significant research advances have been made under Manpower Development and Training Act. Of course, OMAT has been severely handicapped by lack of trained personnel in the research area, by the competing demands that have severely restricted the time of available research personnel in OMAT for research development and administration, and by the difficulties of organization and development of patterns and priorities in a new research administration unit.

I shall only mention a few of the notable accomplishments.

An examination of the report on "Manpower and Automation Research Sponsored by the Office of Manpower, Automation, and Training, July 1, 1963–June 30, 1964," reveals some 68 projects underway and in various states of completion. I have had an opportunity to read a number in draft form. I have been particularly struck by the great benefit that can be derived from the lessons of experience in Europe, as carefully detailed in Margaret S. Gordon's "Retraining and Labor Market Adjustment in Western Europe." A preliminary report shows that James Stern and David Johnson of the University of Wisconsin have some interesting and instructive results from their project on "Training Implications of Job Shifts From Blue-Collar to White-Collar Employment." The Interim report on "Training the Hard-Core Unemployed: A Demonstration-Research Project at Virginia State College, Norfolk Division," is full of instructive material and insights into the problems encountered in operating and evaluating such a training program. Many other projects could be cited as promising and valuable.

Incidentally, an area where the research results have not seemed to me as yet impressive is that of automation and manpower. Hopefully, the new President's Commission on Technology, Automation, and Economic Progress can make some forward steps in this murky area. An automation clearinghouse service is being established as the focal point within the Federal Government for information, including research in progress, on all manpower aspects of automation and technological change.

In addition to individual research projects, an intradepartmental Coordinating Committee on Manpower Research has been established in the Department of Labor. Already it has three accomplishments. One, an inventory has been made detailing the manpower research recently completed, in process, and contemplated. This inventory will be maintained on a continuing basis. Two, an attempt is being made to identify the major "gaps" in the Labor Department's manpower research program. Areas of research which promise significant results are being highlighted. Three, discussions are being held with the aim of developing new directions and priorities for the Department's research efforts in the manpower field. Furthermore, considerable interchange of experience and coordination of research efforts has occurred between the OMAT staff and the research and development program authorized under section 4(c) of the Vocational Education Act of 1963.

THE POSSIBILITY OF RESEARCH GRANTS

It is proposed that section 102(5) be amended to make possible research grants, as well as formal research contracts, for work outside the Department of Labor.

Formal contracts for research usually entail certain advantages and certain disadvantages. They apply best in fields that are fairly well developed and for research that can be well defined and definitely mapped out in advance, with a specific timetable. The disadvantages center around the redtape and rigidities that may involve considerable delay before the contract is finally signed and the need for contract revisions with experience, all of which may involve extra expenditures of time by the agency staff and the contractor.

The advantages of the research grant have been its relative simplicity and flexibility, its minimal reporting burden, and the opportunity it affords for

initiative on the part of the research agency. In practice, distinctions between contracts and grants may become blurred and all mixed up with questions of allowable overhead rates and other matters of payment.

It would seem desirable for the Government contracting agency to have both means at its disposal so as to be able to make the best arrangements to fit particular sets of circumstances.

EXPERIMENTAL AND DEMONSTRATION PROGRAMS

I should like to support the inclusion of experimental, demonstration, and pilot projects under programs of evaluation and research.

The difficulty and costliness of establishing control counterparts for every training group in order to evaluate the results "scientifically" points to the need for learning from experimentation and from demonstrations based on experience. Much of the information that is accumulated is of a nonstatistical sort. Some of the early conclusions or findings in experimental and demonstration projects have been rather unorthodox and unexpected. Here is a research area that promises to supply many new ideas and insights.

Despite the individualized nature of many E and D projects, one should be fully conscious of their research possibilities and should use the best evaluative techniques that can be applied in cases of such experimental, demonstration, and pilot projects. For that reason, there may be considerable advantage in having expert consultants examine the design of proposals, the selection of trainees, and the methods of evaluating the results.

JOB DEVELOPMENT PROGRAMS

Potentially, the household service area holds great promise for employment expansion, and for jobs for those displaced in manufacturing and in other lines as well as new entrants into the labor force. Part of the problem is adequate training for the work and elevation of it into respectable and respected occupapations. Part of the problem is arranging for the entrepreneurial function—the responsibility for the scheduling of work (as the Employment Service does for agriculture under the annual worker program for migratory workers and the day-haul programs) and the arrangements for charging, billing, and financing. Part of the problem consists of the personal-security or protection-guarantee aspects. Housewives are reluctant to take into their homes or have working in the yard such persons as maids, homemaker service personnel, window washers, floor waxers, lawnmowers, gardeners, household equipment repair men and women, or men and women who paint, wallpaper, or do minor carpentry and plumbing, unless such personnel can be trusted as individuals. I suggest that the provisions for bonding in section 104 be extended so that it might be possible to include trainees in such household lines.

If what housewives and homeowners say about their openings for part-time employment is true, this is a great area of job creation, provided the proper training and administration can be arranged locally to elevate and decasualize such work.

The proposed new section 102(7) should help to stimulate such efforts. It will, however, fall far short of the need unless imaginative and skilled leadership is provided at the local level. And one should expect squeals from some local business and some local unions. Although they may not really be meeting the needs, they may object to Government stimulus to do so.

TRAINING ALLOWANCES

In the past, training allowances have been too closely tied to the individual's weekly benefit rate under unemployment compensation. That weekly benefit rate is determined by his past earnings. For retraining purposes, past earnings are not an appropriate guide or measure. Training allowances should be forward looking (geared perhaps more to the level of future than past earnings) and related to family requirements. Also training allowances should be sufficient to deter trainees from dropping out of training courses prematurely in order to provide the necessities for a family or to take advantage of particular job opportunities that may develop in non-training-related or in training-related lines.

I, therefore, favor the proposal to permit a basic allowance not in excess of $10 per week above the average weekly unemployment compensation payment in

the State and permission to increase the training allowance by $5 a week for each of the third, fourth, fifth, and sixth dependents. Actually it is not evident why that provision applies only to the third through the sixth dependent and not to either of the first two. Nor is it evident why training allowances are to continue to be so geared to unemployment benefit rights that, if a person's weekly unemployment benefit (whatever the duration) exceeds the training allowance plus dependents' allowance, the weekly unemployment benefit becomes automatically the training allowance for a potential duration of up to 104 weeks. That seems to put a very high premium on the level of weekly earnings, often in a particular quarter of a year and perhaps in obsolete types of employment.

This concludes my formal statement. I shall be pleased to try to answer questions.

Mr. O'HARA. Mr. Pucinski, do you have any questions or comments?

Mr. PUCINSKI. Yes; I want to congratulate these gentlemen on their testimony.

However, it somewhat worries me. I have been among the most vigorous supporters of this program. I saw it born in this committee, watched its development, but on the basis of your testimony and other testimony I have heard here and after watching the program work, I am asking myself whether the Manpower Development and Training Act in reality has not become another sanctuary for bureaucracies.

Now, the testimony before this committee this morning indicates a tendency at empire building. You all want more. I have not heard any testimony of how this act can become more effective. For instance, I would like to ask Mr. Chaneles a question. You devoted most of your statement to a concern about the young men in prison.

Now, first of all, I am not aware of any bona fide effective recidivist study in the country. You made the statement that 9 out 10 return to prison within 5 years. What is the basis for that statement?

Mr. CHANELES. The latest statement was given by Mrs. Green, of Oregon, before a House committee on January 11, in which she used the figures I referred to. In part, the figures are based on data developed by the National Council on Criminal Delinquency and the Uniform Crime Reports. Recidivism studies have been developed with increasing precision over the last 10 years, the most recent one prepared by Professor Glaser at the University of Illinois. In some recent statements by the President's Committee on Juvenile Delinquency some of these figures are given.

Mr. PUCINSKI. I was never aware of the fact when we passed this bill and the very distinguished chairman of this committee who, unfortunately, is not with us today, certainly had placed his whole life into this bill, I was not aware at the time that we passed this bill nor since then that we were going to try to move this program into the prisons simply because most of the prisons now have very adequate and appropriate programs.

In Joliet, Ill., one of the finest programs is in operation. The young men and older men, the prisoners, sent there come out usually with a skill. The people of Illinois have set up tremendously impressive facilities in that prison.

Is the purpose of this act to duplicate the work of these State penal institutions? Is the purpose of this act to spread out into that area? This is what I can't understand, are we then diluting the original intent of this act? I wonder if you would like to comment on this, sir?

Mr. CHANELES. I would like very much to, sir.

There has been, I think, a very important national development in respect to the expansion of prison-training programs in the last few years. The situation, however, is not a very happy one, in general. As of 1960 only 4 percent, that is a national figure, of all the men who received vocational training in prisons were placed on jobs in areas in which they were trained.

This is, I think, a strongly documented figure.

Mr. PUCINSKI. How would this act or any of these amendments help?

Mr. CHANELES. Let me give more background here. Last year California started an exciting new prison-based program in tire recapping. A determination that a shortage of tire recappists in the vicinity of the prison led to the introduction of an entirely new vocational training program in recapping. This suggests that the underqualified men who receive training in prison might be upgraded in terms of local labor markets. The Manpower Development and Training Act program would permit, under proper research conditions, the development of patterns for training people who are particularly underqualified because of their poor human experience, poor educational experience, and poor vocational training.

I am not prepared to give you an accurate figure, but many persons coming into prison, particularly youth, have been dumped into vocational school; they then fall out of the vocational school and are dumped into prison and then go back to the community. I think that more research developed know-how is necessary to know how to get these people trained for the jobs in demand.

Mr. PUCINSKI. Aren't the local people doing anything about this now? If I understand your statement, I am sure you don't mean this to be a broad stroke across the board, I would gather local communities have done nothing in this field, ever.

That is, if I understand your statement correctly.

Mr. CHANELES. I would agree.

Mr. PUCINSKI. I would not be able to agree because I happen to believe and know that local communities have been doing a great deal in this field for a long time, long before the Manpower Act was developed.

The point I am trying to find out is how far do you propose that the Federal Government go in this field and to what extent do you propose that the Federal Government preempt a local effort?

Mr. CHANELES. May I suggest a few areas where the Federal Government might, I think, undertake some investment of resources here? I contend that the prisoner population is a very special population. We don't know yet how to effectively train them across the board.

Mr. PUCINSKI. What has the Federal Bureau of Prisons been doing about this, do you know?

Mr. CHANELES. At this moment the Federal Bureau of Prisons, to the best of my knowledge, has developed a number of training programs in several of their larger institutions, but they are not related to local labor market demands and there is no followup to get the man, immediately after release, into a job and provide him with the necessary supporting services to see that he has a chance of staying on the job. The Bureau of Prisons has, for years, been trying to

develop cooperative programs involving labor, management, community, and correctional institutions which would provide a more integrated pattern of training and job placement. I believe that the first integrated attempt of the Federal Bureau of Prisons to move in this area, with followup in the community, is its "halfway house" experiment, now completing its second year in Brooklyn. This program, because it does not involve research, is not providing the kind of data necessary to give an informed opinion on its success.

Mr. PUCINSKI. Now, Mr. Miernyk, I believe you made the statement the research they are now getting in this field is producing nothing more than pedestrian material. I believe you are a member of the Advisory Committee. What has the Advisory Committee been doing to generate more productive research material with the funds now available? If the statement you made that your material knowledge of a pedestrian nature is correct, what has been the function of the Advisory Committee in overseeing this program and its development and expenditure of funds?

Mr. MIERNYK. I really should let the Chairman answer part of that question. After I had written that statement I thought perhaps I ought to strike it out because it is a statement that should be strongly qualified.

I believe I said much of the research has been strongly pedestrian, by which I mean factfinding in areas where we don't know enough about the labor market to make judgments.

Mr. PUCINSKI. What has the Labor Department been doing all these years? They have been running studies and surveys, and over the past 6 years it has been my privilege to sit here and listen to testimony on this legislation, the poverty bill, vocational education, and the 35-hour-week bill.

The Labor Department has studies that could fill this room. I don't understand what you mean when you say you don't have any information on these subjects.

Mr. MIERNYK. I would say first, that we have the best labor statistics in the world and, secondly, the Department of Labor has put out a large and impressive volume of extremely useful research findings. But I would still argue that because of the tremendous complexity of labor markets, there are questions we don't have the answers to.

For example, we have an unusually high rate of unemployment in this country compared to the countries of Western Europe. We know some of the reasons why they have reduced unemployment in Western Europe, perhaps not all. I think we don't know enough about the transfer value of the experience of the Western European countries to the United States, and we certainly don't know as much as we ought to about the effects of automation, or general technological change, on job mobility and many other aspects of the labor market.

I really would like to say that my statement was not intended to criticize what has been done, but was made in support of a plea for more flexible research arrangements.

Mr. PUCINSKI. Don't you think your testimony would be a lot more persuasive and convincing, at least to this member of the committee, if you had showed us what has already been done within the scope of this act in terms of research, rather than come before the committee

and say that apparently the material that has been generated now within the framework of the research program has not been very convincing?

If that is true, I don't see how any one of these amendments is going to improve the job.

I think it would be much more convincing if you showed this committee what you have already accomplished and what more can be accomplished if these amendments are indeed voted.

Mr. MIERNYK. I accept your criticism of my statement. It is quite corrrect. Because of the brevity of my statement and partly because of time limitation, I could not begin to summarize the effective and useful research that has been conducted under the Manpower Development and Training Act. The whole point of that part of my statement was to support the argument that the Secretary of Labor should be allowed to make grants which would give greater flexibility to labor market researchers.

Let me illustrate: I happen to be directing a couple of labor market projects now under contract arrangements. In drawing up the proposals we had to specify certain objectives which we were going to achieve as a result of this research, and we felt we could achieve them.

Part way through these we might have stumbled onto something, some particular problem involving labor force projections, or something like that, which we were not investigating, but it would require additional personnel and funds we do not have to do the extra work. Under a grant we could alter the direction of our research.

The whole point about grants is that they give you the flexibility to investigate a large area, it is not necessary to focus on a particular kind of problem. So I am just arguing for more flexibility in the research program. I am not criticizing in any way what has been done by the Manpower Development and Training Act up to now. I think what has been done is useful.

Professor Lester referred to the 68 projects in the most recent report. I think all of us have tried to read as many of these as possible, and I think they have added significantly to our knowledge and they will be useful to this committee and others in guiding the Manpower Development and Training Act program.

Mr. PUCINSKI. If time permits, I would like to come back and develop some other points in more detail. I would like to yield to my colleague, but I want to make this observation. I think this is one of the finest pieces of legislation ever passed by the Congress.

The chairman, Mr. Holland, and I have said this many times, deserves the eternal gratitude of the people of this country and the members of this committee who wrote this can be proud of their accomplishment.

I think this legislation holds great hope in the area of automation and job training, particularly in those areas where because of certain standards in this country a worker beyond 40 can't get another job unless he has a special skill.

I think this legislation offers a great deal of hope, but I ask you as members of the Advisory Panel and the people administering this program, don't make this another redtape jungle, don't make this a bureaucratic sanctuary. Don't tie it up with so many problems and studies because we will lose faith with the people.

I have supported this program and will continue to do so simply because I believe in it, but the program has not been working out in many, many areas, simply because it has been tied up with all kinds of redtape to the complete disgust of people wanting to take advantage of it.

So when we have a chance to have a distinguished panel like yours before the committee, I hope you don't mind my blowing off steam.

Mr. LESTER. If you look over the summaries of our comments in the meetings of our subcommittee, I think you will see we have at times been highly critical, not because we think it wasn't done fairly well, but because we think it could be better. As far as the reseach is concerned, it isn't going to pay off unless it shows how this program can be improved in the basic terms of title I.

One study on the training of hard-core employes at Virginia State College was designed just for that purpose, just to make sure the training funds are not wasted and to make sure they are invested and spent in a way to be more effective.

With respect to redtape in Washington or the field, the Research Committee cannot deal with much of that problem. That is an administrative problem. We can show how they are duplicating.

Mr. PUCINSKI. The greatest research you can perform is to see how they can cut through that red tape.

Mr. LESTER. That is another research project.

Mr. PUCINSKI. That is all.

Mr. O'HARA. Mr. Ashbrook, do you have any questions?

Mr. ASHBROOK. I would like to direct one question, a general question I have had, to you as a panel, for both your opinion and advice.

This has been my concern in watching not only this legislation but a lot of similar legislation. We have not only some of the redtape problems which Mr. Pucinski referred to, but also a great deal of overlapping.

I did a little research when this bill was passed and at the time there were right around 20 programs going on at the Federal Government level or the Federal Government in cooperation with State and local governments, that were in the area of retraining or vocational work, and since that time we have passed several other pieces of legislation which are indirectly in the field in the Expansion Act, which provides a certain degree of retraining for those being dislocated by imports, the Area Redevelopment Act, the so-called depressed area legislation.

Indirectly some of our agricultural programs suggest we might divert farmers from nonproductive farm endeavor to training in other areas.

What extent this format—at least I think it is a problem, maybe you don't—with this format of the Federal Government involved in many areas of this type, do you think we should look as members of this committee with the idea of consolidating some of these areas either in this program or in any program?

To me it has been of some concern to see the Government, when there is so much concern about the redtape and so much concern about different levels of appropriation, different levels of length of programs, I think in the depressed area they are short, but in Manpower Development and the Training Act programs they are longer programs.

It seems this is an area for research and I would like the thinking of this panel. No. 1, I would like to know whether you think this is a problem. No. 2, what would you suggest we do to better consolidate the overall manpower work to one legislative enactment to bypass some of what Mr. Pucinski talks of, duplicating and overlapping?

Mr. GINZBERG. I would say, as a member of the Advisory Committee, it is closer to the problem of research people. Enough of a problem has presented itself that this is on the suggested agenda of our next meeting. This is one of the four central issues on the agenda, the relationship between Manpower Development and Traning Act and the considerably expanded efforts going on recently. The Advisory Committee is aware this is a real issue.

Two, by law from the beginning we were an Advisory Committee to the Secretary of Labor but we also became, in effect, an Advisory Committee to the Secretary of Health, Education, and Welfare. At each meeting we take on problems involving HEW and the Department of Labor and try to keep their joint efforts under some kind of surveillance.

Thirdly, one reason for considerable hope for regional Manpower Advisory Committees is to feed back to Washington their perception of how adjustments could be made at State and local levels within their region, which might give a somewhat further improvement to the effectiveness of the Federal dollars going in and of the total efforts.

The fourth point is that you might have to identify in relation to Manpower Development and Training Act; two or three of the major programs, namely, vocational education and now the poverty program. Personally I would advise that they be allowed to run a little before attempting to coordinate them.

Manpower Development and Training Act is operating and is trying to get some of the remaining bugs out of its operation. Large programs need a certain amount of time before much will come out of them and before we can see what the coordination and integration ought to be.

If you started tomorrow to hold hearings on how to put Manpower Development and Training Act, education, and vocational education together with the poverty program, it would be hard to get reference points. We are very concerned about this in the National Committee and we think it is a real problem.

We are moving to coordinate and to learn how to get greater efficiency out of the administrative structure and out of the flow of dollars within whatever structure we are now in, which includes the two major departments.

Mr. ASHBROOK. Thank you.

Mr. O'HARA. Mr. Hathaway, do you have any questions?

Mr. HATHAWAY. Yes, sir.

In line with that, Professor Ginzberg, how long do you think the program would have to run before you would be able to tell what coordination we could accomplish?

Mr. GINZBERG. If I recall correctly, you made money available for vocational education only under the new bill last year. I would say that you should give it three years' time to run, last year, this year, and next year, and then you should give the poverty program a 2- to 3-year run. About 2 or 3 years from today would be a good time to take a look at the total overall effort.

We would be there to help. The Advisory Committee is trying to keep this structure from overlapping. It is trying to see where overlapping is developing and where reinforcement is possible.

Mr. HATHAWAY. When is your meeting scheduled?

Mr. GINZBERG. We have three or four a year. We are in a kind of continuing session since not only the Advisory Committee as a whole meets, but we also have four effective subcommittees. I think it will be of interest to the Congress to know that almost all facets of this program are under continuous review.

We have the Committee of Professor Lester, which he chairs, the Committee on Research, that meets several times a year and then there is a training subcommittee. We have a community-relation committee to see how the program works at State and local level. And then we have a panel on guidance.

Mr. HATHAWAY. When is it scheduled to take up this particular problem?

Mr. GINZBERG. I am going to have lunch with Stanley Ruttenberg as soon as I am released from here, and we will inform you of the date.

Mr. HATHAWAY. Thank you.

One question I want to ask you, you mentioned in your testimony that perhaps the amendments concerned with service employment could be reinforced. Do you mean the language could be changed?

Mr. GINZBERG. No, not really. I am very sympathetic to what Professor Lester indicated. Let me give you another idea as to what can be done in the service area.

We have used governmental contracts to accomplish important national objectives such as contracting with aerospace companies to build missiles and so forth. We have a system under some part of the agricultural bill in which we subsidize American users of American cotton so as to equalize our prices with those in the world competitive market.

In listening to Professor Lester's testimony, it struck me that one of the great problems in the service areas is to get first-rate entrepreneurial leadership. For instance, there are many service jobs in the suburban proper and many people who live right in the middle of the city could find and need these jobs. But how can the people who need the jobs, get to them?

I like to think this can be done. I would like some large American companies to take some experimental action and see what they could do to develop the service industries. They would have to be interested from the social point of view since there may not be much money there at least initially.

A second necessary step, and this is more speculative, has to do with the sizable number of people not now in the labor market who could be 40, 50, 60, or 70 percent productive. They are not really competitive and cannot do a full day's work at the going minimum wage. But in years ahead we may have to develop some kind of sheltered employment in order to permit these people to spend some part of their lives at work.

I could conceive of a system—granted that it is complicated—where the Government would say to a manufacturer that instead of his getting a plus-cost contract to build a missile, he would really keep a set of records about the productivity of some below-par workers.

Government would then make up the difference between what he must pay them and what they are worth.

As we look ahead we have to come to a much more venturesome way of getting the hard-to-employ people back to work.

Mr. LESTER. Could I add that some of the insurance companies have been taking dropouts and putting them to work. The companies have found they are very satisfactory, indeed.

That raises a second question and that is the employers' hiring standards. On the supply side we are upgrading the skills as fast as we can and if as fast as we are upgrading supply the employers are raising their hiring standards, we are not making much progress. I think we need quite a bit of understanding about employers' hiring standards, which it is true, fluctuate somewhat, in some companies, with labor market conditions.

There does not need to be uniformity of standards for all jobs across the board. The standards the large firms use are not really for the hiring in jobs. You go to a steel company and get employed and they put you first on the yard gang, but they are not looking at you for the yard gang and hiring you just for that job. They are looking at you and trying to judge how you will be 20 or 25 years from now under their supervision in jobs up the ladder of promotion.

Even if they hire a janitor, they want the fellow to have a high school education. I think we need to do something in the way of educating employers as to whether they really need these standards they have, whether they really need all high school graduates.

Another problem we have in connection with this is that if some of these people are employed by a large company and the company decides these people, because of physical or mental handicaps, can't really go on the open market and meet the hiring tests, the company takes care of them, if they go sour.

The company retires them early. That is the internal market where a large company takes care of its people once they have seniority.

The people in very small companies or the casual workers, tend to be left out. They don't have that kind of protection. It may be we will have to come to some special kind of an arrangement after training these people and they can't get placed because they have mental or physical deficiencies so they can't compete effectively. We can't say "You are done for," because they do have productivity under the the proper set of circumstances, and they might be an advantage as producers to the country and certainly to their families. Therefore, we can't just forget about them. We are not quite ready with a program but someone should be studying a situation like that.

I say research is needed as to whether we should have a new program, and, if so, what kind? They have had experience with programs of sheltered employment in European countries, and we should be looking into that to see if there is anything we can and should do in this area.

Mr. HATHAWAY. As far as the act is concerned the research provision would take care of it?

Mr. LESTER. That is right.

Mr. HATHAWAY. Thank you.

Mr. O'HARA. Mr. Quie?

Mr. QUIE. Yes, I have some questions.

Mr. Chaneles, on the first page of your testimony, point 2, you say, "Urbanization and technological advances do not determine poverty's magnitude or quality."

Could you elaborate on that statement?

Mr. CHANELES. For some time there has been an assumption that the increasing complexities of city life produce the distresses we see in the poverty phenomenon. There has been a body of literature to support this view, but this literature has not taken sufficient account of studies which tend to refute this view, findings, for example which show that as urbanization increases, family size decreases. The largest families are not in the cities, they are out in the hinterlands. They are to be found in areas which eventually become suburban. As the urban-suburban complex develops, standards of living improve and the entire quality of life is upgraded.

This is true in the United States and it has been shown to be the case in European countries and even the most underdeveloped areas where there has been a drift toward suburban growth and technological advance. An illustration of this point is to be found in India where, over time, as large families move into the city, obtain industrial jobs, living conditions become upgraded and family size decreases.

Technological advances over the years, as I see it, improve the well-being of people. If there has been any adverse consequences of technological advance, it has been indirect. We find, for example, that the correctional population has been systematically denied, the opportunity to learn the kind of trades necessary for work adjustment in a technological age.

Would you like me to pursue this further?

Mr. QUIE. No, I think I get the idea. Even though we have the greatest, as far as numbers, in the poverty program in the urban area, it is still a fact of organization. You agree it is a problem?

Mr. CHANELES. Yes. One point along this line is that approximately 42 percent of the people in the New York City correctional institutions have come to New York in the last 5 years from rural and semiurbanized areas of other States.

Mr. QUIE. On the next page you say, "The theory of 'structured unemployment' and the 'dominant social group' are as inadequate in reference to the American scene in 1965 as they were in 1865."

I know Professor Miernyk in his statement mentioned the Chase Manhattan Bank study in which some 70 percent of the economists indicated structured unemployment was one of the most severe problems and that it is the reason we have unemployment.

Are you saying that being inadequate, it doesn't give a total answer? Do you say structured unemployment is not a valid answer?

Mr. CHANELES. It is not adequate to explain the magnitude of the problem.

Mr. QUIE. Do you accept it as a very valid answer for this period as to the problems we face?

Mr. CHANELES. Let me put it this way, sir, I tend to avoid seductively simple abstractions that try to explain the complexities of human behavior. The poverty population that I am most familiar with in the New York City area are people who are not out of work because of the interplay of abstract explanations. Many of them have never had an opportunity to work simply because of the climate of

their neighborhoods which made moving toward business and industry as an area of employment unattractive to them. My experience with the young released offender is that in spite of the very high demand made by the employer for training, the employer is willing to take these fellows in, and if they prove themselves out, they have permanent jobs.

Mr. QUIE. Considering a percentage, how many are unemployed as a result of the structured unemployment situation? We could say the miners of West Virginia fit into this sector, or the miners of Minnesota, because they did have jobs, their fathers had jobs. What percent are in the status which know nothing of poverty as you speak of it, a different way of life, all those aspirations, what percentage on that group and what percentage on the structured unemployment group which may revert to this other group in time?

Mr. GINZBERG. Maybe I can help out here. You can't cut it that fine because the causative factors at work spill over on each other.

You can isolate the Appalachian situation and say that bituminous coal mining collapsed in that region. You can say that in one or two other places, such as northern Michigan, economic life is eroding.

But let me give you an illustration of what is going on in other places, such as San Francisco as I saw it a couple of years ago. During World War II large groups of very poorly educated and unskilled Negroes found jobs in the shipyards.

They helped to get Liberty ships out. But then came the end of the war and this whole population with little education and no special skills and little experience in an urban area, found themselves unemployed. They didn't fit into that community at all.

San Francisco expanded white-collar employment but not for these people.

Interestingly enough, in Henderson, near Las Vegas, there was a similar group. In Las Vegas at least the women could work as chambermaids and in similar hotel jobs. I don't think you can come to a sharp answer.

I have one point that may be helpful. We used to hide out much of the poverty and unemployment on southern farms—not only southern farms, but mostly on southern farms. Poor whites and poor Negroes were out of view down there.

What has happened in the last 25 years is that large numbers have migrated to the cities in the Middle West and Far West and are really very visible. I think that is the distinction: they were miserable and unemployed years ago, but they had a stake in the agricultural work. Now they are in the cities and that is where the crime rate is so high.

Mr. QUIE. You would say the crime rate has risen and we should look at the status of these individuals? They are a real problem due to the fact they have less than $3,000 annual income?

Mr. GINZBERG. That is a reasonable suppostion.

Mr. QUIE. You talk of the growing rank of school dropouts. I understand precentagewise that has reduced considerably and percentagewise is still reducing. However, in total numbers they have stayed pretty much the same?

Mr. CHANELES. Right.

Mr. QUIE. So it is really the severity of the problem and lack of hope for them rather than that there are more to contend with or the rate is increasing. Would you comment on that?

Mr. CHANELES. Subjectively, the experience has been that the numbers are increasing. The question of determining a precise rate I think is a harder thing to define.

In terms of the age at which they drop out and the grade at which they drop out, the experience in New York City is that there has been an increase over the last few years.

Mr. QUIE. In New York City?

Mr. CHANELES. That is right.

Mr. QUIE. Actually there has been a slight decrease in total numbers, the rate dropped something like 60 percent in 1950; 30 percent in 1960. So there has been a substantial reduction in the rate.

Now, speaking of the children in the schools that probably have the young trainee in that period of transition of the training period and the first few weeks on the job, finding a job, I wonder if you aren't talking of someone like a chaplain being with these individuals. You say they have all the questions arising. In the military it sounded like you send them to the chaplain. Do you need a chaplain to take care of the special problems you mentioned here, the spiritual problems?

Mr. CHANELES. There are probably a hundred social work agencies in New York City serving a sizable population. Each social work agency has a limited budget and a set of priorities about what kind of clientele it wants to serve.

It is our experience that the most difficult youth come last on the list of priorities and receive the least amount of service when they are received by the social agency.

This is true particularly for a youth who has been in a correctional institution. There is a need for service immediately following release. There is a need for someone for him to talk to, someone to guide him out of trouble. There is a need for someone to take him to the employer and help him fill out a job application and guide him in how to use his paycheck.

Most of these youth don't know what to do in their spare time, evenings and weekends, and it's this kind of weakness that got them into trouble in the first place.

I would suggest that there is a need, in addition to the restoration of youth through training programs operating under MDTA, to develop and implement new followup patterns for these youth.

We found one answer that is appropriate for one kind of population. It is desirable to find many new approaches to this very critical transition period.

Mr. QUIE. Have you seen any different results in the children attending parochial school to those attending public schools of New York?

Mr. CHANELES. I have not seen studies of this kind. A study which relates to your question, on the religious affiliation of people in correctional institutions, finds that sizable numbers were regular members of parishes or religious organizations of one kind or another. To find out whether real differences exist between members and nonmembers would require a considerable investigation.

Mr. QUIE. You know of no such study?

Mr. CHANELES. No.

Mr. QUIE. My last question has to do with some comments of Dr. Urie Bronfenbrenner from Elliott University when he said these

kids are really lost between the age of 3 and 6. We have a certain amount of money and I wonder if you ought to begin at those ages at the top and work back. In a poverty status it is said they leave their motivation and recognition and have a sense of hopelessness at that early age.

Do you agree that is the end we ought to begin with or should we begin working on the correctional end, the breeding ground, so to speak?

Mr. CHANELES. If I can be allowed to make a very primitive kind of statement, I think that what happens to a youth at any age is largely determined by the quality of the adult that is leading the youth, whether it is a parent, a teacher or vocational educator, or a correction officer. Certainly there is much to be done between the ages of 3 and 6, but many youth who have had good experiences between 3 and 6, run into serious problems during adolescence.

I don't think that ages 3 to 6 is priority area; it is possible to negotiate a successful life at any age.

Mr. QUIE. Thank you.

Mr. O'HARA. With respect to the proposal for the longer training period, I thought I should mention the case of trainees not receiving basic education training. In these areas there is a difference between 52 and 104 weeks, inasmuch as the additional 20 weeks permissible under the law is only permissible today for those receiving basic education. So, in terms of technical education, it would mean doubling the training allowance period.

I came across a very interesting statement recently which I will ask at the appropriate time to have included in the hearing record. I would like you gentlemen who are members of the Advisory Committee to see copies of the statement with respect to the status of unqualified engineers and scientists in the San Francisco area.

The high unemployment among them and the very great need for some sort of technical training program is quite evident.

Some question has arisen with respect to training allowances and relationship of unemployment compensation. I think Dr. Lester mentioned that we have some very severe problems in connection with training allowances. In most States, those who undertake a program of training are unable to continue to qualify for unemployment compensation to which they would otherwise be entitled.

Therefore, if we set a training allowance at a figure less than the amount the unemployed head of a household might receive in unemployment compensation, we place a rather important hindrance in his willingness or ability to undertake the training.

It seems to me that the solution lies not in how to set up training allowances, but how unemployment compensation is determined.

Mr. LESTER. It happens I have been for the past 10 years chairman of the Employment Security Council of New Jersey and have wrestled with these problems of unemployment compensation. We make recommendations to the legislature and the Governor each year.

It does seem to me that when you get into training allowance, it is conceivable that your training allowance would be less than the unemployment compensation, because while you were offering the person this training, you are offering him an opportunity to advance himself.

On unemployment compensation you are not offering the opportunity to advance himself. I realize it may be undesirable to have it

less than unemployment compensation if his training is going to be lengthy, but if you put him on a training allowance he is also maintaining his eligibility for unemployment compensation and if he finishes his training and does not get a job, he can then come under unemployment compensation.

I don't think it is necessarily true he wouldn't take training if it is less than unemployment compensation. I think the training allowance should be geared according to his need at the time. If the people have pretty much the same needs, and it is going to be a particularly long period of training if you get into 2 years, I think you should consider the question of what he needs to maintain himself and his family during the 2 years.

You are backing right into this question because you are saying now that he has needs during his training period and we will start with the unemployment compensation but we will move him up by $10 a week in the first place. Then you will give him $20 more a week if he has six or more children, so that he is moved up to $30 a week above his unemployment, and that is almost as much as the unemployment compensation benefits which are averaging about $36 a week for total unemployment.

You have the possibility of adding on almost as much as the unemployment compensation.

My point would be that maybe you ought to take a real sharp look at this question and say, "What does he really need for training?" You should put it on that basis. That would put more people on the same basis where they have the same needs including training needs.

The unemployment compensation may not be properly adjusted for training.

Mr. O'HARA. Yes; we run into problems with that. One figure is not necessarily relevant in all parts of the country. What a man needs for training in Puerto Rico varies from what he needs in Alaska. One of the advantages of tying it into unemployment compensation is you have some basis for the final figure.

Mr. LESTER. I realize that.

Mr. O'HARA. One of the problems is that of a person who is not the head of a household and who is not young enough for one of the youth groups. Because of this he does not qualify for a training allowance. Would you favor an across-the-board training allowance for trainees or this approach of discriminating between persons who are heads of households, and persons who are not?

Mr. LESTER. This is again where you get into trouble in determination of unemployment compensation. If that person worked, I think it is a wage loss and under unemployment compensation and she should get compensated according to her wage loss. If you are talking of a training program for a family, and two people in the family being trained, you should look at it in a different light.

What do they really need for their family? When you are training you are investing in the people receiving the training, and the cost may not be so high when you look at it that way. What you are saying, in essence, is if you are willing to go along with this program, the Government is willing to invest some real money in you.

Presumably at the end of the training period they should be better off. It is in that light I would look at it. I recognize the unemploy-

ment compensation benefits, to some extent, give you variation around the country, variation as to the past wage level, cost of living, and so on.

There may be as much variation in wage levels and living costs within some of the States or from one part of a State to another part as there is from one part of the country to another. There is a problem, and the easiest thing is to say we will take the unemployment compensation benefit the person could get, whether that is appropriate for training or not.

The longer you do this, the longer it will take to move to a proper position, because you tie your hands in the future and prevent adjustment of the training allowance as it should be.

Mr. O'HARA. Professor Miernyk, you and others spoke of the necessity of increasing research funds and this bill, of course, does that. I have been wondering if we ought to set a dollar figure on research or if we ought to simply authorize a percentage of the funds appropriated for research projects?

Mr. MIERNYK. I don't know that I would be in a position to answer that question. I stated that someone more expert than I should determine what the level of expenditures ought to be. It just occurs to me that $3 million in 1 fiscal year is rather a small sum of money for the many kinds of research that ought to be conducted. When you look at the different problems throughout the country, it is evident that the problems in West Virginia are different from those in New England and different from those we have in the Mountain States. All of these should be investigated.

I suppose if I had to make a statement about this, I would say there ought to be some dollar limit rather than a percentage of the total expenditures, because the latter might grow without bounds. I just wouldn't be prepared to say what that dollar limit ought to be.

Mr. LESTER. It does seem to me the importance of research is in the early period of your program. It should be started in the early part of your program, so that the payoff can be longer. You will find out things to help you improve your program and consequently I wouldn't necessarily view it in relation to the total dollar program year by year.

Of course there is a real limit to how much you can spend in research funds without having adequate trained manpower and supervision in the field. You have to provide added attraction to develop supervisory staff for research. You have to utilize available resources and draw more in. The earlier you can get the research in operation and find the answers, the sooner you can solve the problems in the manpower field.

I would be more interested in adequate research funds than the dollar volume of the total program. I think that by the later stages of the program you have learned what you can do and the research funds ought to taper off.

Mr. O'HARA. That is a good point.

Dr. Chaneles, you spoke of a Manpower Development and Training Act project being operated in coordination with your Department. I would assume it is an experimental project?

Mr. CHANELES. No; it is a research project.

Mr. O'HARA. To your knowledge have regular Manpower Development and Training Act programs been adapted to the use of persons confined or recently leaving confinement as a regular thing?

Mr. CHANELES. To my knowledge there are only two Manpower Development and Training Act experimental and demonstration programs directed at correctionally confined populations. Both were initiated late last year. One was the Alabama program and the other at the Lorton Reformatory in Virginia.

Mr. O'HARA. I would like to suggest that I think this is a good idea. We are talking about unemployed. We are not talking about unemployed who are now or never have been in jail. In looking at all of the unemployed who perhaps are going to need some training, I don't think we can ignore the problems of those who have been convicted and in prison.

Professor Ginzberg said that 90-to-10 financing would be better than present provisions in the bill. There has been some sentiment expressed for continuation of full Federal financing. I wonder if any of you gentlemen have any comments on that?

Mr. LESTER. The views I have would certainly not be expert, but I would think there is a real disadvantage in having the Federal Government fund the entire program. I think there is real advantage in having the community have a stake in the program, both the State and the community. They do not in all cases have to put up cash; they can meet their share by other means.

And I think it would be a mistake not to have the community and the State have some stake in the program so they feel they have a real interest in making it a success.

Part of the problem in a few States has been there has not been enough cooperation and interest at the State level. I think if there isn't that kind of cooperation and interest at the State level, the State shouldn't enjoy the opportunities to the full extent of the program; they should not enjoy it to the extent that other States do.

Mr. PUCINSKI. Aren't you saying if the State is not interested, the Federal Government should move in? I was going to ask you the question when it was raised on 90 to 10 financing but what is wrong with the proposal in the bill now?

In 1962 we provided the States with a 3-year leadtime to crank up; come in with a one-third contribution; and as Mr. Wirtz testified before this committee, he is wondering if this is to be interpreted as a lack of interest by the States?

Mr. LESTER. I can only speak for my State, New Jersey. It is not a lack of interest.

Mr. PUCINSKI. I would agree it is not lack of interest but how do we solve this problem?

Mr. LESTER. I would say this, Congressman: In some positions in the State there are individuals accustomed to doing things in an old way and reluctant to make a change to new ways. If it is in the Employment Service, to be specific, the Employment Service has had a job in the past in trying to place people. Now we say part of your job is to work out training programs and oversee them. They may be reluctant to do that. They may think the job of the Employment Service is to pay unemployment compensation and place people. That is what I had in mind, and it is not at the top of the State government but somewhere down the line or in a community.

Mr. O'HARA. One more question and then we are going to have to close.

Professor Ginzberg suggested that for many of the hard-core unemployed, someday we may have to come to a recognition that they are just not going to be placed in an open competitive labor market, and we are going to have to work on bringing some kind of sheltered employment. A question relating to that has arisen in connection with these hearings.

A suggestion was made that we ought to prohibit training persons under the Manpower Development and Training Act for any job that pays less than the Federal minimum wage. I don't think there is any general agreement, but I would like to know what you think of the proposition and whether you think we should deny Manpower Development and Training Act training for job classifications where the going rate is less than the Federal minimum wage?

Mr. LESTER. Would you like to say something, Professor Miernyk? I will be glad to try.

Mr. MIERNYK. We can give our opinions. I agree first with Professor Ginzberg that some sort of sheltered employment would be desirable and will probably become necessary in the future. It seems to me it would be unwise policy to gear this to the proposal that everyone be paid at least the Federal minimum wage.

If you have an individual who is incapable of meeting labor market standards, then I would feel that exceptions should be made. We do make exceptions in the case of learners and others right now. The only difference is this would probably be on a permanent basis.

I had never heard of the suggestion before that there be some kind of subsidy to the employer to make up the difference. I think Professor Ginzberg referred to the cotton subsidy bill, and something like that might be one possibility.

I personally feel that a provision that everyone trained under the Manpower Development and Training Act would have to be trained for a job paying at least the Federal minimum wage is too rigid.

Mr. O'HARA. Mr. Lester?

Mr. LESTER. I would like to say two things. Of course, I have testified repeatedly in favor of the Federal Fair Labor Standards Act with respect to coverage and new minimum. In essence, this proposal would involve the problem of dealing with noncovered areas. Certainly for anything covered by the Fair Labor Standards Act, they do have a Federal minimum wage.

Many areas not covered by the Federal act are covered by the States that have minimum wage laws. They would have State minimum wages with which your Federal minimum wage might not agree, but employers are required to live up to the State minimum wages. What you would in a sense be trying to do, would be, by Federal action, trying to determine what the State minimum wage should be in the uncovered areas. You would be, so to speak, extending the Fair Labor Standards Act coverage through the Manpower Development and Training Act.

And you would get into questions of interpretation; such as, piece rate earnings, tips, meal allowances, and so forth. Also the State minimum wage laws often have hours' restrictions. You can see how complex this whole matter could get. If we are to change Federal minimum wage coverage, it ought to be done in a straightforward and not a backhanded fashion.

If an attempt should be made to apply the Federal minimum, and I do not advise it, you probably should have some kind of probationary period of 60 or 90 days, a trying out of these trainees, because what you are doing is saying to the employer, "We have given them this training and would like you to try them." I wouldn't like to see the Federal minimum wage take effect until after a trying out period.

Thirdly, I would say on the subsidy—I wasn't here to hear Professor Ginzberg—but I think if you look over the European experience which is set forth in one of these studies by Margaret Gordon on training in European countries, I think you will come up with a question of whether this idea of subsidy, which has also been tried in Canada as well as the Netherlands and other European countries, whether it has been successful or not.

Generally it has not, and I would want a pretty thorough study of the experience abroad before I went in at all on a program of subsidizing private employment. I think that could get you into a realm where you could really be in difficulty. We need research and careful analysis on that question before we take any precipitate action.

Mr. O'HARA. Dr. Chaneles, do you want us to confine the training to occupations covered by the Federal minimum wage?

Mr. CHANELES. I would like to report some of the recent experiences of the restoration of youth through training programs in connection with your question.

First, the city of New York is providing the training for this program. Second, the Manpower Development and Training Act does not provide any stipend or trainee allowances while these youth are incarcerated. Finally, when the trained youths are released they earn, on the average, $10 more a week than released youths who are not trained and, on the average, $10 more a week than the city minimum wage.

I would not want to generalize this to the national problem or the legislation at hand. I think that if there is an emphasis on a high level of skills and directed toward the labor market demand, the question becomes academic.

Mr. O'HARA. Well, gentlemen, the House is in session and I know the House can hardly function without the members of the subcommittee. So we are going to have to adjourn.

I want to thank you very much for taking the time to appear before us. The Select Subcommittee on Labor will now recess to meet again tomorrow at 10 o'clock in room 304.

(Whereupon, the hearing recessed at 12:10 p.m. to reconvene Thursday, February 18, at 10 a.m., in room 304.)

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

THURSDAY, FEBRUARY 18, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10:10 a.m., pursuant to recess, in room 304, Cannon Building, Hon. James C. O'Hara presiding.

Present: Representatives O'Hara, Gibbons, and Hathaway.

Staff members present: Dr. R. E. L. Knight, director, and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. The Select Subcommittee on Labor of the House Committee on Education and Labor will be in order.

Today we are continuing hearings on H.R. 4257, H.R. 4270, and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962.

Our witnesses today will be representatives of the United Business Schools Association.

Gentlemen, we have your statements and you may proceed in whatever manner you wish. Those who are speaking will please identify themselves for the record. When you have completed your presentation we would like to ask you some questions.

Mr. Sneden. I will proceed first, Mr. Chairman.

Mr. O'Hara. Very well, you may proceed in whatever manner you wish, and the joint statement presented by you gentlemen will appear in the record at this point without objection.

(The statement referred to follows:)

Joint Statement by Robert W. Sneden, President, Detroit College of Business, Dearborn, Mich.; Clarence A. Phillips, President, Heald's Business College, San Francisco, Calif; and Harrison W. Myers, Jr., Secretary, Sawyer School of Business, Los Angeles, Calif.

Mr. Chairman and members of the committee, my name is Robert W. Sneden. I am president of the Detroit College of Business, Dearborn, Mich. For nearly 20 years, I have been associated with business education including service on the board of directors of the National Business Teachers Association.

Also by way of background, I am the past president of the United Business Schools Association which is the one association of educational institutions in which nearly 500 of the quality independent business schools and junior colleges of business of the Nation hold membership. The roots of UBSA go back more than 50 years to 1912. However, many member institutions have been in existence for more than 100 years.

UBSA itself is an affiliate of the American Council on Education and at least one administrator in every UBSA school is a member of the American Vocational Association.

Here with me are two colleagues from California; you have met them, Mr. Harrison Myers, Jr. of the Sawyer School of Business in Los Angeles, and Mr. Clarence A. Phillips of Heald's Business College in San Francisco—which, I would add, was founded in 1863. Mr. Phillips is the president-elect of UBSA.

Both Mr. Myers and Mr. Phillips, as well as myself, have administered successful Manpower Development and Training Act programs in our institutions which were under contract with our respective State education agencies. We appreciate the opportunity you have given us to discuss with you some of the problems which we feel have been raised by these proposed amendments to the Manpower Development and Training Act.

THE 1963 MANPOWER DEVELOPMENT AND TRAINING ACT AMENDMENT TO SECTION 231

The private business schools are very appreciative of the work of this committee in liberalizing section 231 of the present law through the 1963 amendment which so successfully clarified and encouraged the use of private training institutions. We feel that the expanded utilization of private institutions has materially added to the success of Manpower Development and Training Act.

If 100-percent Federal financing were to be continued, there would be no cause for our testimony today. While we respectfully urge the continuation of 100-percent Federal support, we do not wish to becloud the issue. Therefore, we raise our questions in the light of the 90–10-percent arrangement set forth in proposed section 241.

For ease of discussion and ready reference we have quoted from page 15 of House Report No. 861 (88th Cong., 1st sess.) on the 1963 Manpower Development and Training Act amendments which discussed the role of private institutions with Manpower Development and Training Act and congressional intent in amending section 231 which some have called the Holland amendment.

"*D. Private training institutions*

"Section 6(b) of the bill liberalizes the provision relating to the use of private training institutions. It should be noted that there are many private institutions with excellent reputations that have stood the test of time. With facilities in being and trained personnel on hand most are in a position to provide immediate training of the type required by the program. Yet, despite congressional expectations, they have not been used widely. Two factors, produced this result. The present language read literally appears to exclude their use except in the extremity of absence or inadequacy of public facilities. Hence, many private institutions have not offered the use of their facilities. Second, many States have reinforced this literal impression of the language thereby further discouraging the use of private institutions.

"To remedy this situation the bill substitutes for the present language criteria to govern the use of private institutions. Specifically, States are authorized to contract with private institutions whenever 'such institutions can provide substantially equivalent training with reduced Federal expenditures.'

"The Secretary of Health, Education, and Welfare retains overall supervisorial responsibilities and can be expected to prevent any abuses in the exercise of this added authority. Thus the present Manpower Development and Training Act provides in section 231 among other things for 'continuous supervision of the training programs conducted under the agreement (with the State) to insure the quality of an adequacy of the training provided, protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title.' Under this authority the Secretary can develop further the principle of cost competitiveness between public and private institutions provided by the bill and develop the controls required to insure compliance with the criterion of comparable quality."

Because of the 1963 amendment, the second sentence of section 231 now reads:

"Such State agencies shall provide for such training through public education agencies or institutions or through arrangements with private educational or training institutions where such institutions can provide substantially equivalent training with reduced Federal expenditures."

Essentially this provides a workable system of "subcontracting" by the State agencies which has many advantages. In the absence of clarification by the committee or possible amendment, the operation of 90–10-percent proposal could defeat and nullify the 1963 amendment to section 231. We do not believe that such is the intent of the 1965 Manpower Development and Training Act amendments. We hope the committee shares this view with us.

PROGRAM SUCCESS IN A PRIVATE INSTITUTION

Attached as exhibit A is a report on a Manpower Development and Training Act program in Michigan carried out by a State agency through an arrangement with a private educational institution. In this case it was the Detroit Institute of Commerce. The results, I submit, are impressive.

This was a 24-week stenographer program for 24 girls; 20 were Negro and 4 were Caucasian. A followup survey with 18 replies out of 24 trainees disclosed:

"Employment listed was as follows:

Jones & Laughlin Steel Co	1
Ford Motor Co	1
University of Michigan	4
Prudential Insurance Co	1
Wayne State University	2
Chrysler Corp	2
Attorney offices	2
Wayne County Civil Service	1
Vickers Inc	1
Burroughs Co	1
Sears, Roebuck & Co	1
General Motors	1

"They are all doing stenographic work. The average earnings are $323.72 per month or $74.70 per week. If each girl has one deduction from her annual salary ($3,884.64) she will pay $456.80 income tax.

"For this training program the school received 65.859 cents per hour of training or a total of $474.19 per student. This included all books and supplies. After all taxes are deducted there is left more than $3,000 from which they can save, and purchase durable and nondurable goods."

TREMENDOUS POTENTIAL OF SECTION 231

Section 231 authorizes a tremendously comprehensive approach for the Secretary of Health, Education, and Welfare to provide a variety of training programs. This, in our opinion, includes the indirect method of contracting with the States on the direct method of section 202 (b) or (i) and that of the last sentence. The States in turn can "subcontract" by arrangements with private institutions.

At another point in our testimony we would comment on the relatively undeveloped potentialties of the system of "individual referrals" authorized by section 202 (b) or (i).

PROPOSED 90-PERCENT LIMITATION RAISES MATCHING PROBLEM

A host of impressive witnesses, already heard by this committee, have consistently affirmed the fact that very few States will appropriate cash outlays to match the 90-percent Federal funding proposed in this measure. The vast majority obviously intend to make up the 10 percent by matching "in kind."

The very real problem over the continued use of private institutions is thus raised in those cases when the State appropriates no cash but wishes to match "in kind" Federal expenditudes after July 1, 1965.

How, in the light of the 1963 "Holland amendment" to section 231, but within the 90-percent Federal limitations proposed through new section 241, can the States continue to carry on successful training program through subcontracts with private institutions when there are no items such as "plant, equipment and services" to be fairly evaluated so that "expenditures from non-Federal sources" may be matched in kind?

We respectfully urge that the need to match "in kind" where the States have made arrangements with private institutions is inapplicable if such a requirement would defeat the very purpose and success of the 1963 "Holland amendment" to section 231.

The Deputy Assistant Secretary (for legislation) of Health, Education, and Welfare, Phillip H. Des Marais, pointed out the expanding role of private schools under the 1963 amendment in his recent article "New Developments in Occupational Training and Vocational Education" in the balance sheet, volume XLVI, No. 1, September 1964.

At page 22 Des Marais writes:

"Anthony J. Celebrezze, the Secretary of Health, Education, and Welfare, in his annual report to the Congress on training activities under the Manpower Development and Training Act made specific mention of the role of the private school, so far, in the program.

" 'Some facilities have been provided by private training schools. As of December 31, 1963, 104 projects with 4,342 enrolled trainees had been approved in 49 private schools in 18 States. About one-third of the projects and one-half of the trainees are in Chicago. Table A summarizes the projects approved for nonpublic agencies. Many private training schools have equipment not available in public schools, particularly for training in technical and subprofessional occupations. It is expected that use of private schools will be extended. An amendment to the act provides that arrangements may be made with private education or training institutions "where such institutions can provide substantially equivalent training with reduced Federal expenditures." * * *'

"The Secretary's report went on to explain that:

" 'The planned expansion of the manpower program will increase the burden on public vocational education facilities. Greater use of private technical schools and colleges for training purposes will be made in conformity with the amendment to the Manpower Act which clarifies the opportunity to use such facilities.' " (Table A omitted.)

As matters stand, despite the 1963 "Holland amendment" and the realistic evaluation by Secretary Celebrezze of its utility, there is a large cloud hanging over future arrangement by the States with private institutions as a result of the 1965 90–10 percent proposals. We submit it is unrealistic to apply the "in kind" matching provision when the States have made arrangements for the Manpower Development and Training Act training in private institutions.

Just as the 90–10 percent arrangement does not apply to the direct training programs which the Secretary is authorized to carry out under section 202 (b) or (i) and the last sentence of section 231, we would hope that the committee might determine that there is authority for the view that the 90–10 percent arrangement does not apply to the indirect training which the Secretary carries on through the States when such training is in turn "subcontracted" with a private institution.

We most urgently and respectfully request the committee to look into the ramifications of this problem and provide the necessary guidelines through its report or by a clarifying amendment to the bill. We feel such a determination is vital to the continued use of private institutions by the States.

"MATCHING" FOR TRAINING ALLOWANCES AND COMPUTATION OF GOAL COSTS

The States continue to be "agents for the United States" for the payment of training allowances authorized under section 203. Whether the trainee is in a public or a private institution, there is no leeway permitted under section 241 to deviate from the 90–10 percent arrangement. Yet it seems obvious that the payment must be in cash and cannot be "in kind" to the trainee.

Therefore, the question becomes: At what point in time are the "total of all such costs" (i.e., training allowances, reimbursement for unemployment compensation and institutional costs for training programs) to be properly computed?

Is it to be on a per trainee basis individually broken down by each category of:

(*a*) 90–10 percent of the training allowance for each trainee?

(*b*) 90–10 percent of the reimbursement for unemployment compensation for each trainee?

(*c*) 90–10 percent of the institutional costs for training programs for each trainee?

Is it to be on a per project basis broken down by cost category:

(*a*) 90–10 percent of all training allowances for the specific project?

(*b*) 90–10 percent of all reimbursements for unemployment compensation for the specific project?

(*c*) 90–10 percent of all institutional costs for training for the specific project?

Or, can the "total of all such costs" be considered over an entire fiscal year so that the total contribution of the State truly can be "fairly evaluated" in the light of the total pictures under an across-the-board lump-sum method?

To put it another way—even with the 100-percent payment in cash flowing from Federal payments to finance such items as training allowances or contracts with private institutions, can the contribution of the State through the fair evaluation of its "plant, equipment, and services" be credited against the sum

of training allowances, reimbursement for unemployment compensation, and institutional costs or, is the 90–10 percent applicable by each category?

Assuming a theoretical situation where, for a fiscal year, training allowances total $100,000 and institutional training costs total $100,000 and the value of the plant equipment and services totals $20,000, is this $20,000 creditable toward the total costs of $200,000 or merely the total institutional training costs of $100,000 with no carryover credit against training allowance payments?

Similarly, assuming total annual institutional training costs of $100,000 which include $20,000 subcontracted to private institutions and a fair evaluation of State plant, etc., of $20,000 in carrying out $80,000 worth of training in public institutions, can the "excess" of $12,000 be used as an audit against the cost of the training in private institutions as well as a credit against $100,000 of training allowances?

We hope it is the interpretation of this committee and the intent of Congress that the 90–10-percent arrangement is to be most liberally construed to permit utmost flexibility in carrying all sections of the Manpower Development and Training Act programs. We respectfully urge that it be clearly established that the 90–10-percent ratio is—

(1) Not per trainee.
(2) Not per contract.
(3) Not per project.
(4) Not per program.
(5) Not per cost category.

But that it is truly 90–10 percent of the "total of all such costs" incurred in a State over an entire fiscal year and that the 10-percent non-Federal expenditures are truly creditable across the board to the "total of all such costs."

INDIVIDUAL REFERRALS

In the Congressional Record of February 9, 1965, at page A–542 inserted by Congressman James Roosevelt, of California, there appears a very realistic evaluation of future Manpower Development and Training Act problems by an able and experienced State education official, Mr. R. C. Van Wagenen, chief of the Business Education Division, California State Department of Education.

Van Wagenen noted that in California:

"Private business schools offering business training programs under the Manpower Development and Training Act accounted for about 15 percent of the training program."

He also predicted administrative problems in continuing training programs in private institutions when 100 percent Federal support ceases July 1, 1965.

He then went on to discuss the still developing concept of "individual referrals" which can be carried out pursuant to section 202 (b) or (i).

Van Wagenen said:

"Individual referrals are now coming through, and we find private schools can handle these referrals perhaps better than public schools in the main."

The full potential of the individual referral method for selection and training still has not been fully implemented. In many ways it is one of the most exciting potentialities of the entire Manpower Development and Training Act.

Through an expanded use of the individual referral method, the factor of timelag can be greatly reduced. Historically, private schools have been known for their special ability to take persons at a known skill level and to integrate them individually into the educational program of the institution. This also affects job placement success.

Far too often, some educators and administrators seem to feel that it is necessary to accumulate 20 or 30 bodies before initiating a class or a program. Tragically, this can lead to such mistakes as a person being enrolled in programs for which he may not really be suited and from which he may drop out.

Further, there is the delay in getting a group started. Finally, the local job-placement situation may not be able to absorb 20 to 25 new workers immediately upon graduation of the group but could absorb them at the rate of 2 or 3 a week.

FORTY-FIVE YEARS OF VOCATIONAL REHABILITATION

Private business schools have been successfully training people for jobs on an individual referral basis under the vocational rehabilitation law since its enactment in 1920. They continue to do so under—

(*a*) the present law, Public Law 83–565;

(*b*) the present regulations, section 401.26;

(*c*) the program guidelines, Manual Transmittal Letter No. 43;

(*d*) the philosophy of the Commissioner of Vocational Rehabilitation, "Training Handicapped Students for Office Careers," by Mary E. Switzer, the Balance Sheet, volume XLVI, No. 2, October 1964.

Hopefully the committee will urge the Secretaries of Labor and of Health, Education, and Welfare to draw upon this wealth of experience in the area of individual referrals as the program in Manpower Development and Training Act develops. In our opinion, such cross-pollenization is highly desirable.

TECHNICAL AMENDMENT TO SECTION 2

We also urge a technical amendment to section 2 of the 1965 bill and suggest that the word "nonprofit" be eliminated from new paragraph (6) so as to read:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants or contracts, with public or private agencies, * * *".

There is ample precedent for this language because the policy was established in section 207 of the Poverty Act which merely refers to "private agencies." It it also consistent with the other sections of Manpower Development and Training Act which merely refer to private institutions. See Wall Street Journal, February 11, 1965, for article on training contracts with private industry under the poverty program.

SUMMARY

The 1963 Manpower Development and Training Act amendment to section 231 effectively clarified and amplified the important role of the private educational institution. The States, with the encouragement of HEW officials, have increaseingly utilized private institutions and wish to continue to do so even after July 1, 1965, when 100 percent Federal support ceases.

It is not the intent of Congress to defeat the provisions of the 1963 amendment to section 231. However, perceptive State officials are looking for legislative guidelines whereby they can continue to use private institutions in those States which intend to comply with the 90- to 100-percent methods of matching in kind. These necessary guidelines can be supplied by the language of the committee report or through a clarifying amendment.

Similarly, the legislative intent should be clearly established that the matching in kind of expenditures from non-Federal sources is creditable across the board to all costs.

The system of selection and training by individual referral should be expanded by the respective Secretaries who can contract directly and are not circumscribed by the proposed 90- to 10-percent matching arrangement. Just as the States are agents of the United States for payment of training allowances, so also might the States be agents for the handling of individual referrals for whose training the Secretary can contract directly. Lessons can be learned from the 45 years of successful individual referral under the Vocational Rehabilitation Act.

The proposed new paragraph (6) of section 102 of the act should be amended to read, "* * * contracts with public or private agencies * * *" to follow the policy of the 1963 amendment and the language of the poverty program.

CONCLUSION

As administrators of private institutions who are working closely with our respective State agencies and conducting Manpower Development and Training Act programs for them, we are terribly concerned over the future contributions of private educational institutions in the light of the 1965 proposed amendments and the particular possibility that the operation of the 1963 amendments to section 231 might be nullified by the 90- to 10-percent matching arrangement.

Since the act makes no provision for 90- to 10-percent matching for on-the-job training, we feel the same intent should be expressed concerning arrangements for training in private institutions pursuant to section 231.

We wish to express our sincerest appreciation to the committee for making this time available to us to discuss the problems posed by 1965 proposals, as we see them. We endorse the philosophy of the Manpower Development and Training Act and are proud of our contributions to the program as it is now being carried out.

We hopefully urge the committee to provide, either through its report or by clarifying amendments, for continued training in private institutions in those States which must match in kind and for an expansion of the individual referral system.

Respectfully submitted.

EXHIBIT A

Manpower development training class (MT–284) for stenographers, at Detroit Institute of Commerce, 1308 Broadway, Detroit, Mich., as reported to United Business Schools Association meeting in Detroit, Mich., November 6. 1964.

We began the manpower development training program for stenographers (MT–284) on November 18, 1963.

The Michigan Employment Security Commission (MESC) had selected the students on the following basis:

Age, 17 through 21 years; sex, female preferred; education, graduation from high school with course in typing and shorthand; physical attributes, weight in proportion to height; ability to pass prescribed proficiency test in spelling, shorthand, and typing and specific aptitude test battery for stenographer B–215 norms:

G. Intelligence	95
P. Form perception	100
Q. Clerical perception	100
K. Motor coordination	100

Class hours were from 8 a.m. to 3 p.m., 5 days a week for 24 weeks, or 720 clock hours.

These hours were divided as follows:

	Hours
Stenographic and clerical skills	375
English and communications	125
Computational skills	120
Clerical-secretarial procedures	80
Transcribing and duplicating machines	20

Subjects included in the program were: Typewriting, Gregg shorthand, machines (Comptometer, Burroughs calculator, Ditto, Mimeograph), English, word studies, mathematics, payroll, secretarial procedures, charm, and personal improvement.

At the end of the 11th week, one girl dropped voluntarily. She was to be married. At the end of the 12th week, two were dropped for poor attendance which meant poor grades.

At this point, three more students were entered and they completed the remaining 12 weeks of training. One of these three was put into a clerk-typist program. Two others were changed to clerk-typist because of slow progress in shorthand.

The program ended on May 8, with 24 of the 25 enrolled: 4 of these girls were Caucasian, 20 Negro. The one girl dropped at the end of the 17th week because she found employment—a stenographic job.

The attendance and interest in study was excellent. There were absences only when necessary. Five of the students had perfect attendance.

These students had looked for employment and found themselves unable to pass tests; therefore, they were motivated to get the most out of the program.

Statistics on the group are interesting (the average age, 18.8 years):

Were graduates of local public high school	20
Were graduates of local parochial schools	5
Were from suburban schools (Ecorse and Hamtramck)	2
Graduated from a high school outside of Metropolitan Detroit area	1
Graduated from high school within the last year	10
Graduated between 1 and 2 years earlier	8
Had grduated over 2 years earlier	10
Had office work experience (3 full-time jobs, 7 part-time)	10

Compensation ranged from $1 an hour to $45 a week. Others had little or no work experience, babysitting, store clerks, etc.

Before completing the program, we gave the students the Wonderlic and the general clerical (nine part) tests.

On the Wonderlic (with a highest possible score of 50) only 3 scored below 21, which is the average cutoff score used by most businesses. All of these scores are considered passing by most businesses utilizing Wonderlic for personnel selection. On the general clerical test they ranged from the 94th to 40th percentile group.

Interestingly enough, two persons who were below the 50th percentile on the general clerical had high scores on the Wonderlic Test.

Typing skills ranged from 76 to 53 words on 5-minute tests. Everyone passed shorthand at 100 words per minute and 8 passed 120 words per minute. Even

though we had to score in terms of words per minute, these girls would also be rated very high in the neatness of their work, letter arrangement on 8½ by 11 or executive-size paper, etc. A properly framed letter became a byword to them.

The class in charm and personal improvement made these students very conscious of their appearance and gave them a feeling of confidence, too.

EMPLOYMENT

Even though MESC was responsible for the placement of these students, the school assisted. When employment calls were received, they were given an opportunity to apply. Placement assistance will continue with this group as with all other students.

A survey of these students was made as of November 1, 1964. Eighteen replies were received.

Employment listed was as follows:

Jones & Laughlin Steel Co	1
Ford Motor Co	1
University of Michigan	4
Prudential Insurance Co	1
Wayne State University	2
Chrysler Corp	2
Attorney offices	2
Wayne County Civil Service	1
Vickers, Inc	1
Burroughs Co	1
Sears, Roebuck & Co	1
General Motors	1

They are all doing stenographic work. The average earnings are $323.72 per month or $74.70 per week. If each girl has one deduction from her annual salary ($3,884.64) she will pay $456.80 income tax.

For this training program the school received 65.859 cents per hour of training or a total of $474.19 per student. This included all books and supplies. After all taxes are deducted there is left more than $3,000 from which they can save, and purchase durable and nondurable goods.

We feel that this was a wonderful project. We will like to do more of this type of training, since we have a physical setup that is adequate and an experienced staff. Most of all, we have a desire and a willingness to help students of this type who want to prepare themselves for a better job in business.

As we said earlier, the MESC selected the students after determining the employment need. The State department of public instruction selected the school. Both of these agencies were most cooperative and it was a pleasure to work with them.

EXHIBIT B

CALIFORNIA STATE DEPARTMENT OF EDUCATION

Manpower Development and Training Act projects approved or under consideration

	Fiscal year			Total through Jan. 31, 1965
	1962–63	1963–64	1964–65 through Jan. 31, 1965	
Agricultural education	5	15	20	40
Business education	52	57	81	190
Homemaking education		1	2	3
Industrial education	53	54	83	190
Multioccupation projects		3	17	20
Individual referral projects			3	3
Total projects approved	110	130	205	446
In public schools	97	118	180	395
In private schools	13	12	26	51
Number of trainees provided for	5,581	7,685	15,365	28,631
Amount approved for training	$2,708,354	$4,471,365	$9,515,445	$16,695,164
Average training cost per student	$485	$582	$619	$583
Amount approved for allowances	$3,066,391	$5,879,315	$12,087,703	$21,033,409

EXHIBIT C

FOLLOWUP SURVEY OF AREA REDEVELOPMENT ACT TRAINING PROGRAM CONDUCTED AT DETROIT BUSINESS INSTITUTE, MAY 25, 1964, TO OCTOBER 9, 1964

Number of trainees: 120.

Occupational title: Cooperative clerical skills (clerk-stenographer).

Trainee prerequisite: All trainees were high school graduates and had had 1 year of shorthand and/or typing.

Total cost: $38,220 (65 cents per hour per student). This cost included supervision, counseling, instructors' salaries, books and supplies, equipment, and all consumable materials.

Class information: Classes met 35 hours a week. Total project class hours was 490 hours.

The 120 students were pretested at DBI and the results showed approximately three-fourths should be trained as stenographers and one-fourth should be trained a clerk-typists.

Training schedule: All students spent the first 8 weeks in school. At the end of 8 weeks, the group was divided into 2 sections of 60 students each. One section stayed in school for 2 weeks and the other section was placed in vestibule training stations. At the end of 2 weeks, the groups changed places. The groups were rotated every 2 weeks until each student had had 14 weeks of school and 6 weeks of vestibule training. The whole program took 20 weeks to complete.

Placement information: According to MESC, 86 of the group were employed and 34 were unemployed as of January 26, 1965.

STATEMENTS OF ROBERT W. SNEDEN, PRESIDENT, DETROIT COLLEGE OF BUSINESS, DEARBORN, MICH.; HARRISON W. MYERS, SAWYER SCHOOL OF BUSINESS, LOS ANGELES, CALIF.; AND CLARENCE PHILLIPS, PRESIDENT, HEALD'S BUSINESS COLLEGE, SAN FRANCISCO, CALIF.

Mr. SNEDEN. Mr. Chairman, members of the committee, my name is Robert W. Sneden. I am president of the Detroit College of Business, Dearborn, Mich. For nearly 20 years, I have been associated with business education, including service on the board of directors of the National Business Teachers Association.

Also by way of background, I am the past president of the United Business Schools Association which is the one association of educational institutions in which nearly 500 of the quality independent business schools and junior colleges of business of the Nation hold membership.

The roots of UBSA go back more than 50 years to 1912. However, many member institutions have been in existence for more than 100 years.

UBSA itself is an affiliate of the American Council on Education and at least one administrator in every UBSA school is a member of the American Vocational Association.

Here with me are two colleagues from California, you have met them, Mr. Harrison Myers, Jr., of the Sawyer School of Business, in Los Angeles, and Mr. Clarence A. Phillips, of Heald's Business College, in San Francisco—which, I would add, was founded in 1863. Mr. Phillips is the president-elect of UBSA.

Both Mr. Myers and Mr. Phillips, as well as myself, have administered successful Manpower Development and Training Act programs in our institutions which were under contract with our respective state education agencies. We appreciate the opportunity you have given us

to discuss with you some of the problems which we feel have been raised by these proposed amendments to the Manpower Development and Training Act.

Actually, instead of going through and reading this whole testimony, I think I will just run through a couple of points I would like to make in connection with it.

Starting on page 3 at the bottom of the page, essentially this provides a workable system of "subcontracting" by the State agencies which has many advantages.

In the absence of clarification by the committee or possible amendment, the 90–10 percent proposal could defeat and nullify the 1963 amendment to section 231 which so effectively expanded the use of private institutions.

We do not believe that such is the intent of the 1965 Manpower Development and Training Act Amendments. We hope the committee shares this view with us.

I know there are some States that plan to continue their practice of contracting with private institutions even though there is this 90–10 percent matching provision. Michigan is one of those States, by the way.

I talked with the State director of vocational education who informed me he had been informed that Governor Romney was going to support an appropriation of $5 million for matching under this program.

However, as I understand it, this is one of the few States that plans to do so.

I would like also to introduce information about the program that we conducted in Detroit which is not included in our prepared testimony. I would like to introduce it as exhibit "C." I would like to comment on it in support of the position that we take, the position that this Manpower Development and Training Act program is a very fine program for the retraining and training of individuals and making them employable.

You will notice in the prepared testimony that there is a summary of a Manpower Development and Training Act program that was carried on in the Detroit Institute of Commerce. That is not the school I represent, but it is another school in Detroit.

I think you will agree it is an impressive record of achievement. You will find that information on exhibit "A."

I would like to refer to exhibit "C" and comment on it.

Mr. GIBBONS. Excuse me, exhibit "A" violates the Civil Rights Act of 1964, it says, "Females." You can't do that any more.

Mr. SNEDEN. I am sorry, Mrs. Grooms prepared this and I will talk to her about it.

Mr. GIBBONS. I don't know what you will do about it, but that is one of the amendments a gentleman from Virginia drafted into the bill.

Mr. SNEDEN. If I have a personal choice, I prefer females.

Mr. GIBBONS. I do, too, but it still violates the civil rights bill.

Mr. SNEDEN. The program described in exhibit "C" that we carried on at Detroit Business Institute was a little unusual. You don't have this information so I will read to you about the training schedule.

All of the students—the first 8 weeks in school we had 120. At the end of 8 weeks the students were divided into two sections of 60 each. One section stayed in school for 2 weeks in vestibule training stations. At the end of 2 weeks, the groups changed places.

The groups were rotated every 2 weeks until each student had had 14 weeks of school and 6 weeks of vestibule training. The whole program took 20 weeks to complete.

Of the 120 trainees, as of January 26, 1965, 75 percent—I am sorry, 72 percent, were placed.

Here we had 86 people who heretofore were unemployed and considered unemployable and now they are productive citizens.

Referring to Mrs. Grooms' report, she indicates that the average earnings of her graduates was $323.72 per month. This is about the same experience we have had in the Detroit Business Institute.

I think it is very appropriate to point out from the annual salary of each of these employees approximately $456.80 will be paid in income tax.

Our total costs at the Detroit Business Institute were 65 cents per hour per student, so these 120 students were trained at a cost of $38,220. This included all supervision, counseling, instructors' salaries, books, and supplies, equipment, and all consumable materials.

For this modest investment we have provided employment to 86 people.

This indicates our point of view of how effective we consider this program to be.

Now, if we can go on to page 5, we will refer to the potential of section 231 which has to do with the individual referrals. We think that the prospects of the individual referral potential in the Manpower Development and Training Act are really terrific.

As the testimony, the prepared testimony, points out, very often it is very difficult to get a group together to train all as a group. We had an example of that in Bay City where there were probably a dozen or 15 people who were unemployed and could be trained to occupy an office position.

Well, it just wasn't practical to consider that as a group and train them as a group, so the program has been delayed for 4 or 5 months until they can accumulate enough people to justify what we call group training.

Now, if we could take these as individual referrals and work them right into our programs, there would be no delay and it would work out to the best interest of the individual and of the institution. In connection with that I would like to comment on the U.S. Department of Labor communication from the U.S. Employment Service program letter No. 1758 of January 26, 1963, in which they clarify the procedures governing the Manpower Development and Training Act training on less than a class group basis.

We are very happy to see this communication but that we hope that it will be instrumental in encouraging the various employment offices, the State employment security agencies, to accelerate this individual referral program instead of waiting until they get a group of 30 or 35 people, I hope they will refer them as individuals.

I would like to point out that this letter also emphasizes that the State vocational educational agencies, that is on page 5, with the co-

operation of their local counterparts, should be requested to prepare and maintain a list of public and private—I am underlining that—training facilities within the State which in New Jersey are capable of entering into and completing satisfactory training arrangements under the auspices of the Manpower Development and Training Act.

Such facilities might include, for example, those authorized for training under the Veterans' Administration Readjustment Act, the War Orphan Act, and the vocational rehabilitation program.

Now, as a basis for discussion and questions, I would like to skip on to our summary of the prepared statement and then we will be pleased to answer questions you may have. I know Mr. Myers had some comments and so does Mr. Phillips.

The 1963 Manpower Development and Training Act amendment to section 231 effectively clarified and amplified the important role of the private educational institution. The States, with the encouragement of HEW officials, have increasingly utilized private institutions and wish to continue to do so even after July 1, 1965, when 100 percent Federal support ceases.

It is not the intent of Congress to defeat the provisions of the 1963 amendment to section 231. However, perceptive State officials are looking for legislative guidelines whereby then can continue to use private institutions in those States which intend to comply with the 90–10 percent method by matching in kind.

These necessary guidelines can be supplied by the language of the committee report or through a clarifying amendment.

Similarly, the legislative intent should be clearly established that the matching in kind of "expenditures from non-Federal sources" is creditable across the board to all costs.

A system of selection and training by "individual referral" should be expanded by the respective Secretaries who can "contract directly" and are not circumscribed by the proposed 90–10 percent matching arrangement. Just as the States are "agents of the United States" for payment of training allowances, so also might the States be agents for the handling or individual referrals for whose training the Secretary can contract directly.

Lessons can be learned from the 45 years of successful individual referral under the Vocational Rehabilitation Act.

I would like to comment on that, our schools, all of them for many years have been participating in the training of vocational rehabilitation referrals, and we think that is an appropriate precedence for a program under the Manpower Development and Training Act to follow.

The proposed new paragraph (6) of section 102 of the act should be amended to read "Contracts with public or private agencies" to follow the policy of the 1962 amendment and the language of the poverty program.

In conclusion, as administrators of private institutions who are working closely with our State agencies and conducting the Manpower Development and Training Act programs for them, we are terribly concerned over the future contributions in the light of the 1965 proposed amendments, and particularly the possibility that the operation of the 1963 amendment to section 231 might be nullified by the 90–10 percent matching arrangements.

Since the act makes no provision for 90–10 percent matching for on-the-job training we feel the same intent should be expressed concerning arrangements for training in private institutions pursuant to section 231.

We wish to express our sincerest appreciation to the committee for making this time available to us to discuss the problems posed by 1965 proposals, as we see them. We endorse the philosophy of the Manpower Development and Training Act and are proud of our contributions to the program as it is now being carried out.

We urge the committee either through its report or by clarifying amendments, for continued training in private institutions in those States which must match in kind and for an expansion of the "individual referral" system.

Thank you, Mr. Chairman.

Mr. O'HARA. Thank you very much, Mr. Sneden.

Do any of you other gentlemen wish to make a statement before the members begin their questioning?

Mr. PHILLIPS. Yes; I would like to make some comments.

Mr. O'HARA. Very well, Mr. Phillips, you may proceed.

Mr. PHILLIPS. My name is Clarence A. Phillips and my identification has already been referred to except that these people here are merely recruits, I have been in this business for 45 years and the way I was elected president of my organization, I merely outwaited everybody else.

I am going to skip over many of the things Mr. Sneden has already covered, but I want to start it by asking a larger question. Does this training job need all of the educational facilities of the country?

Our State officials tell us they do need us. They also tell us in another way or in another breath that they will have to do without our services under this proposed 90–10 provision as they interpret it. It might be interesting to relate here what we have done to date, in my own institution.

In the State of California, and this is a report of the California State Department of Education, dated—that is, exhibit B and you have that.

It is right up to date, February 16, 1965, and in business education, the facet of this education to which we are devoting our attention and the area in which we operate, there has been since the beginning in California 190 projects and private schools have done 51 of those.

As a matter of fact, in our institution our programs have been of a crash nature. Dr. Knight is familiar with the San Mateo College. Back in 1963 they had a project which because of their situation just could not handle. This project was for 50 sales persons to be trained in 3 weeks.

What are you going to teach 50 people in 3 weeks? The Unimark came in and they needed 50 persons by Christmas and the college could not do it. It couldn't do it because their program could not accept it. It was so much a crash program that they said, "We know what is going to be taught because we copied the program from the junior college, but we didn't know where it was going to be taught or by whom. We scoured around and got a place, equipment, and on the 4th of November 1963, the 50 people came in.

We didn't segregate the group, we had Negroid, orientals, white men and women, from the ages of 20 to 65. What do you teach people; what do you give them? You give them hope, that is about all.

Could you go and teach them about the split infinitive or dangling participle? We had to cut all that business out and teach them education, we taught them grooming, how to work a cash register and things like that. I will say this, at the end of the time—we started with 51 and at the end of the time we wound up with 49. One person became ill and the other had a baby.

So we were hitting 100 percent there. Out of that group 44 were placed. Since then we have had three such programs in the city, Dr. Knight, of San Mateo where we do not have a unit. We are now conducting four classes where we do not have a school.

We have a typing program in Mountain View, that is even further away from San Francisco. Of course, we have had some in Sacramento also. Our total has been 370 students to date for which $132,845 has been expended for training costs.

Now, President Sneden talked about the individual referrals. That program is just coming through in California. As a matter of fact, you will see by our statement there has been only three projects through January 1, 1965. There has been one in Sacramento, one in Fresno, and I don't know where the third is. We have one in San Francisco, but it doesn't come under California. It is comprised of three students in drafting from the State of Nevada.

These are crash programs.

The State officials say they need us but they cannot contract with us under this proposal, the 90–10 percent.

In order that I may give my colleague more time to develop some of these points, I shall rest here and hold myself in readiness to answer questions.

Mr. O'Hara. Do you gentlemen wish to make any further statement before we proceed with the questioning?

Mr. Myers. Yes; I have some comments I would like to make.

Mr. O'Hara. Very well, Mr. Myers, you may proceed.

Mr. Myers. I am Harrison Myers, secretary of the Sawyer School of Business in Los Angeles. We have eight schools scattered around the Los Angeles area. I, too, would like to express my sincere belief we feel the Manpower Development and Training Act program is reaching a segment of our population that certainly needs it, and we are very proud of the results of the training that we have so far conducted, and we are hoping to continue to service these people.

I, too, believe and talked with the chief of the Bureau of Business Education in California as recently as last Friday who says we have no way under the proposed amendments and as the bill is written to continue the contracts with private schools.

They have stated again that we have met training needs in Los Angeles that the public schools refused or were unable to meet.

Now, for example, I would like to mention one in the city of Compton which is a very heavily populated minority group area right down into the very hard core of unemploment. The public schools in Compton, as you know, the public schools in California, there is probably a greater number than all the other States put together, they were working on that program for 6 months.

They had 300 students drawing unemployment who would like to get into school but couldn't during that 6-month period. The State officials came down and asked if we could handle this and, if so, how soon.

We said next Monday. We have a program going there now with about 160 students and we feel we are accomplishing aims of the Manpower Development and Training Act program. I have been on the firing line of this program, I have become very interested and have made a careful analysis of the students, what kind of people are they?

They are in two classifications, most are heads of families, they range in age from 18 to 55 or possibly 60. The others are from broken homes, many of the more mature men and women are coming in from families where someone in the family is in difficulty—they have a great many problems. They have had three jobs before and been fired in most instances, they have had no skilled training or even semiskilled training.

Many of these people have a sixth grade reading comprehension, ability and compehension. They have no place to study at home, many of them have six or seven children and running around presents quite a problem.

I am trying to say historically the private business schools have tried to pay attention to individuals rather than groups and these people need a great deal of attention. The public schools have a little more difficuly—I am a former public school teacher—they have a little more difficulty handling the individual than in our private school system.

This is one of the reasons I think we were asked to do this job and are now servicing a group of people who could not adequately be served even though California has a magnificent public school system.

We are cooperating very closely with the public schools and when there is a special training project, they have been coming to us and asking us if we will do the job. So far we have been able to do it.

One of the things presenting a problem with these kinds of people taking the course is long-term training is not for this individual. Too many things happen during the course of a program and the dropout rate becomes quite large if it is long-term training.

The public schools take long-term training where our whole philosophy has been short-term training.

Now, as far as our programs are concerned in California, incidentally, in toto we have been doing approximately 45 percent of our group programs, 45 percent of these group programs have been done by private business schools.

We have had 24 programs in the Sawyer School. We have to go out to Compton, Ventura, and North Hollywood, also other areas, and set up schools, because those areas wouldn't be served with the existing facilities there.

We have in training 395 students right now. The results of the completion is 80 percent of those people found gainful employment and we are really proud of that, and I am sure their tax dollars coming back in more than pays for—plus the sociological aspect which is even more important, probably—we feel the return through income tax dollars probably more than pays for their training.

We found that 64 of the 80 percent who completed the training program have been employed. Now, there are many reasons for the discrepancy of 16 percent. Some of the people have moved into other areas, some people have become ill and have not been able to be placed. There have been lots of factors. Some people personalitywise are having difficulty getting placed.

I would like to again point out Mr. Van Wagnen, who is chief of the business education department, has said that the proposed 90–10-percent matching provision has stymied them to the extent they are not making any plans starting July 1 to utilize the services and training of private business schools.

Now, it seems that one of their main considerations was the subsistence allowance problem. I would like to somewhat summarize because I want time for questions, and this will just take a minute.

I would like to summarize what we have talked over carefully until the late, wee hours of the night after we arrived here, and I think you might be interested.

In the two men from California—we have all heard stories about two States in California and we are waiting for an earthquake to come along and divide the State equally because we don't know whether to divide it at Fresno or someplace else.

The first recommendation is the one I feel personally will help not only our situation in California, but remove obstacles in all the States so they can engage in this program which is such an important one.

That is to adopt the Perkins amendment which calls for continuation of Manpower Development and Training Act training on a nonmatching basis. This would solve all problems.

The second thing, if this can't be done, if the law should be amended so the State Department can contract with private schools on a nonmatching basis.

The third possibility which would solve our problems is that the 10 percent matching requirement should not apply to subsistence allowances. We are still a little confused on this with our department of vocational education, but this could clarify one of the stumbling blocks.

The fourth possibility is to compute the 90–10 percent of all such training program costs incurred in a State over an entire fiscal year with the 10-percent non-Federal expenditures fully credited across the board to the total of all such costs.

That is a little more complicated but I think it might make it possible for California then to do something about these people who will not otherwise be serviced.

The language of the amendments should clearly point out the procedure of the matching funds formula to State administrators so they can find the way to utilize private schools wherever they consider them needed. This is sort of a last-ditch type of presentation.

Section 231 of the law, I am not sure what is the intent of the last sentence of that section or how it will be applied.

Now, if this alternative is left and is the only alternative, the State director of vocational education should be appointed as agent to contract directly on a 100-percent funding with private institutions.

Now as soon as there is something to this effect—I could read the sentence—in the case of any State which does not enter into the agree-

ment under this section and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide by agreement or contract training with private institutions.

If we in California were to contract directly with the Secretary of Health, Education, and Welfare, the State of California would be extremely upset and Mr. Wesley Smith, who is director of vocational education, would tear his hair out, I am sure.

On the other hand, if it came to this point, and this is the only way, we cannot eliminate the 90–10-percent funding, the vocational educator should act as agent for the Federal Government.

I hope under the law we can continue to provide this specialized training to a segment of our citizens which I feel is not available or practical through the public schools.

I thank you for your consideration.

Mr. O'HARA. Thank you very much.

Under your proposed amendments, the 90–10 matching requirement is imposed in section 231 on the training costs and in section 241 on the training allowances.

Let us discuss for a moment just section 241. That is on training allowances.

Obviously the matching of a training allowance is going to have to come from the State, from a State appropriation to be administered through a State employment security agency which pays the allowance at present from a Federal fund.

If a State refuses to put up the 10 percent training allowance cost, no program in that State will operate. There will be no public or privately provided training. If a State does put up the 10 percent to match the 90 percent for training allowances, I can't see what effect this would have on private training.

If the training allowances are approved for a trainee it seems to me it doesn't matter where he is getting the training. Under the State program training allowances are approved and funds provided to pay 10 percent of those allowances. I don't see how that affects public any more than private schools.

Mr. MYERS. Our legislators in Sacramento in conference say they would like to use us but reached the conclusion that under that provision they can not without legislative action in California, use 10 percent of State funds for use in private institutions.

Mr. O'HARA. I am not familiar with California law, but I just can't see why. I can't see how that would be.

Mr. MYERS. Neither can we.

Mr. O'HARA. In general, I think it is a question of their unwillingness to match the 10 percent.

Mr. MYERS. I think so.

Mr. O'HARA. It is not a question of putting up a 10-percent allowance for a trainee attending private business school. They are saying that they are not going to put up 10 percent for any training under this act.

Mr. MYERS. They can match in kind.

Mr. O'HARA. Not training allowance. I don't see how you can match a training allowance in kind. What are you going to give them?

Mr. MYERS. We came all the way from California to appear before you because we have been told so specifically that they investigated every possibility and they say this 10 percent hurt the Manpower Development and Training Act program and its continuing development in California.

They say they would like us to continue and said, "Would you explain in Congress this 10 percent is something we would like to have done away with, and then we will be able to do the job utilizing both public and private agencies."

Mr. O'HARA. I know, but did they indicate that if the 10 percent matching went through, they would match allowances for trainees in public but not in private institutions?

Mr. MYERS. That is correct.

Mr. O'HARA. On what possible grounds?

Without objection, I am going to ask counsel for the committee to direct an inquiry to the Department of Vocational Education of the State of California—no, I will ask that it be directed to the Governor of the State of California because it involves California's State Employment Service and vocational education people. This will be an inquiry in regard to California law and regulation on this matter.

Mr. MYERS. I think that would be most helpful.

Mr. O'HARA. Now, let us get to the 10 percent matching requirement on training costs rather than training allowances. Under the proposed amendment, section 231 reads, "The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title, enter into agreements with States under which the appropriate State's vocational education agency shall attempt to provide * * *" and then it sets forth that it can be provided through public or private institutions under certain conditions.

The amendment reads, "For the fiscal year ending June 30, 1965, Federal payments under this part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this part shall be made in accordance with the provisions of section 241."

Section 241 is simply 90–10. The 90–10 is 90 percent of the funds expended under the agreement. The agreement being between the Department of Health, Education, and Welfare, and the State and this means that only 10 percent of the total training cost comes from non-Federal sources.

If in any given year the State receives from the Federal Government, let us say, $9 million, that State must demonstrate that in toto it incurred $1 million of expenses, in other words, non-Federal sources incurred $1 million of expenses to provide training in accordance with this act.

With respect to any individual trainee, I don't think they would say that you must provide 10 percent of that trainee's allowance. If the total expenditures by participating school districts, municipalities, labor organizations, religious institutons, private training schools, and by the State itself, aggregated 10 percent of the total training cost that would be sufficient.

Mr. MYERS. That is right.

Mr. O'HARA. Now, the question is what about nonmatching of the training allowances. Let us say the State receives $30 million, or was

permitted $30 million of total training cost allowances with the provision for training, the matching requirement then would be $3 million.

Can that $3 million be charged off to training allowances? Can they appropriate $3 million and put it in training and avoid the requirement of matching the training cost, or can they put it all in training costs?

As I understand the amendment, it doesn't matter, the State would have to demonstrate it had incurred it and other non-Federal agencies not operating by this program.

Mr. MYERS. That would require clarification so that maybe it should be pointed out that this could be done. It clearly does not state that now or at least they have been unable to interpret it that way.

Mr. O'HARA. I think without objection I would also direct counsel to the committee to submit a letter of inquiry to the Solicitor of the Department of Labor with respect to his question and to the Department of HEW.

Mr. Gibbons, do you have any questions?

Mr. GIBBONS. Yes; first of all, as one member of the committee, I certainly want to see the private institutions as you represented in the program. I think you have a lot to contribute, not only in skill and training ability, but I think it presents a challenge to the public side of the program that I think is very healthy, and you, in effect, cross challenge each other, and it is beneficial.

My views are very similar to the chairman's views as to the matching provisions. I am afraid we are just finding the States wanting to pass on as much of this program as they can to the Federal Government.

Mr. Chairman, I wonder if counsel would contact my Governor and ask if Florida has a provision in its constitution prohibiting the use of public funds for private purposes. I don't know if it is in the Florida constitution or not. We have gotten around it by closing our eyes and have assisted our medical school which is a private institution.

We contribute somehow to that.

Mr. FULTON. I wonder if in making this inquiry you might draw the distinction that in the use of private institutions there is a distinction between contracting with a private institution, where the institution has selected the students and where the institution is a vehicle for the training but the students in the program have been selected from the public and not by the private institution.

Mr. GIBBONS. Legitimate clarification. I know in my university they had nothing to do with selection of students, but we contributed a substantial amount to the medical school. We were able to skin the cat somehow there, and I guess it could go on to other institutions.

I think you have brought some worthwhile views this morning and I particularly appreciate you fellows coming all the way from California to endure this nice weather.

Mr. PHILLIPS. It is a treat and a surprise.

Mr. MYERS. I would like to ask the committee how many of the States have indicated their willingness to go along on a 10 percent matching basis. Do you have that information?

Mr. O'HARA. Only a handful have indicated they will go along with the 66⅔ and 33⅓. Inquiries are now being made to ascertain their attitude toward 90–10.

Mr. GIBBONS. What they are all saying is this Federal money is "tainted. It tain't nuf."

Mr. MYERS. My home residence is in a town where they won't accept Federal moneys for school lunches even. This is an exaggerated instance. I am just wondering if the 10 percent, which to me seems like sort of a token representation, if it actually hurts the total overall program. Should we not maybe consider that?

I think the Manpower Development and Training Act is a highly specialized program and we are dealing with a group of highly specialized people. These people have had jobs, lost them, had trouble all their lives and are a hard-core group.

In Los Angeles we have not skimmed the top, we have reached down. The public schools asked us to do that. It is an unusual type of program and in my own conscience I could accept 100 percent Federal funds in this program.

Mr. O'HARA. Mr. Hathaway, do you have any questions?

Mr. HATHAWAY. Yes, I do.

Don't you think that such an investment keeps up the States interest and gives them an interest in the program so that actually the program works out better?

Mr. MYERS. I think it is always a factor that if people pay something for something, they try to get a little more out of it except that, I would say, and this again based upon California, that the public school systems in the various school districts, many of them where it is needed the most, have expressed the fact that we already have too much to do and this program would break our backs.

That is why the State department of education has then been forced literally to turn to the private schools to get the job done.

So, I doubt—to answer your question specifically, I think 10 percent matching funds will do a little bit more to follow along with this fact that we are busy anyway, so why should we go into this program?

The amount of money California spends on education is staggering. We have 79 junior colleges, 17 State colleges, and numerous branches of the University of California.

Mr. HATHAWAY. Do you think that if the chairman's interpretation of the law is correct that will satisfy your objections?

Mr. MYERS. I sincerely hope so. If there isn't a law on the books in California as there is in Florida, which would not permit this, we would have no trouble, we were told, in participating with them when it came to training costs.

But when it came to subsistence, they were stopped.

Mr. SNEDEN. Mr. Chairman, in closing we would like to file a memorandum in support of proposed amendments to section 231 of the existing law and of section 241 of the proposed bill to clarify the last sentence of section 231. The memorandum is entitled "Proposed Amendment for Sections 231 and 241."

(The proposed amendment follows:)

PROPOSED AMENDMENT FOR SECTIONS 231 AND 241

Our interpretation of section 241 leads us to the conclusion that the 90–10 percent formula would also be applicable to the last sentence of section 231 which permits the Secretary of HEW to contract directly for training in those States where there is no agreement or there is not certain training under the agreement.

The sentence reads:

"In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions."

It would seem to us that the intent of the last sentence of 231 is permit the Secretary of HEW to act when, for some reason, the State has no agreement or is not providing some aspect of needed training. The purpose of the last sentence of 231 is to permit the Secretary to move into a vacuum.

How then under proposed section 241, as introduced, can the State be expected to match 90–10 percent in the very situation where it is not acting on its own initiative? Can it be forced to match when there is no agreement or there is some lack of training under the agreement?

Therefore, we respectfully suggest the following amendments to both section 231 and section 241:

Section 241 would be amended to exclude the last sentence of proposed section 231 from the 90–10 percent limitation so as not to limit the action of the Secretary when called for. The additional phrase is: "except for training pursuant to the last sentence of section 231."

Proposed section 241 would then read as follows:

"SEC. 8. Title II of the Act is amended by adding part C of the end thereof to read as follows:

"PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

"SEC. 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs except for training pursuant to the last sentence of section 231. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

Existing section 231, in the last sentence, would be amended by inserting the following words, which follow the language of section 203(a) making the States agents of the United States for the payment of training allowances: "directly or for the purpose of enabling such States, as agents for the United States, to"

Under this proposal, the last sentence of section 231 would then read:

"In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare, directly, or through an appropriate arrangement with a State, as agent for the United States, may provide the needed training by agreement or contract with public or private educational or training institutions."

The suggested additional language tracks the language of section 203 where the States are appointed "agents" for the payment of training allowances.

The appointment of a State as "agent" would then be clearly distinguished from the role of a State as a "contractor" under an agreement. This would provide the Secretary of HEW much greater leeway in distinguishing between the case of the State which has no agreement and the State which may not be providing some aspect of needed training under an agreement.

This greater flexibility of operation afforded the Secretary of HEW could greatly contribute to a more effective operation of the Manpower Development and Training Act. He still has all the direct authority but he has the additional flexibility of being able to use the State agency as an agent when he feels the circumstances are appropriate or when the State as a contractor under an agreement is not providing needed training but the Secretary does not wish to completely circumvent the administrative role of the State agency especially when there is in effect an agreement.

This appointment of a State as "agent" in addition to its responsibilities as a "contractor" under an agreement might, for example, be most appropriate under the recently issued procedures for "less than group referrals" which will provide for individual referral training. Please see program letter No. 1758, January 26, 1965, reference USESPL No. 1666.

Mr. O'HARA. I want to thank you very much, and I am going to have to excuse you now. I know we may be in touch with your

counsel from time to time and would like to ask permission to do so as we try to develop this bill.

We do have another mystery witness who wasn't scheduled for today. He has a very short statement and I would like an opportunity to have him present it to the committee because I think it is an interesting one.

Is Mr. Moran in the room?

Mr. MORAN. Yes, sir.

Mr. PHILLIPS. We thank you very much, sir.

Mr. O'HARA. We have with us for presentation of a short statement two representatives of the Association of Scientists and Professional Engineering Personnel, located in Camden, N.J.

Gentlemen, would you please identify yourselves for the record and explain to the committee your interest in this bill.

STATEMENT OF JOHN P. MORAN, PRESIDENT, ASSOCIATION OF SCIENTISTS AND PROFESSIONAL ENGINEERING PERSONNEL, CAMDEN, N.J.

Mr. MORAN. I am John P. Moran, president of the Association of Scientists and Professional Engineering Personnel. I am presently employed by the Radio Corp. of America as a design and development engineer in the field of microwave development.

I have with me Mr. Henry J. Andreas, executive secretary of the association, who is in the full-time employment of the association and schooled as I am not, in labor relations, and has practiced in it.

Our statements are in behalf of not only our association but I would hope for the benefit of the engineering field in general. We were not notified of our appearance here until late yesterday afternoon. The statement which you have is incomplete. The latter part of the statement was prepared by Mr. Andreas and if it is permissible, he will read his comments from his original notes.

Mr. O'HARA. Please do.

Mr. MORAN. The Association of Scientists and Professional Engineering Personnel has been the certified representative of the research design and development engineer and scientists employed by the Radio Corp. of America (RCA) in the Camden, N.J., area for 20 years.

Two and one-half years ago there were 2,560 engineers and scientists employed by RCA under our jurisdiction and today there are less than 1,380. This drastic reduction in manpower resulted from many causes, including the completion or cutback of Federal defense contracts, the dispersal of various manufacturing functions by the employer to other locations in the country, and, in many instances, by the evolution of engineering technology.

In our experience over the recent period of manpower reductions among scientists and engineers, one of the most serious problems was the fact that many of them, with 20 or more years of experience, were classified by the employer as "surplus"—they were told that there was no longer a need for their particular specialized skills—that other and newer skills were required.

Section 101 of the Manpower Development and Training Act opens with the statement, "The Congress finds that there is a critical need

for more and better trained personnel in many vital categories, including professional scientific, technical and apprenticeable programs."

Within the same paragraph a little further on its states, "The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments * * *." It is to these two categories and primarily the latter that we will address our comments.

There has been a great amount of publicity given to technological advancements in the field of science but very few people have been informed of the effect that this progress has had on the enginers and scientists in industry.

The employee-professional is utilized in industry in a manner similar to that of any other classification of employee, and that is in the most efficient and profitable manner possible.

Efficiency and profit are at maximum when a scientist or engineer is working within his "specialty" or in narrow field in which he has thorough training and experience and has achieved a great depth of knowledge. He can produce a quality product in the shortest possible period of time. He is of great value to the company—as long as his skills are required.

Depth of knowledge in one specific field does not preclude general knowledge of the engineering field but, with few exceptions, it does indicate that his proficiency is not equal in all fields. It should be evident therefore that if years of continuous study and labor have been devoted to a specific field and it then becomes nonessential within a company or is superceded by another technology, his value is drastically reduced.

The trade journals and periodicals that have so loudly proclaimed an "engineering shortage" are now playing another tune—called engineering obsolescence. The "retreading" of engineers and scientists, as MIT refers to it, is now the popular topic for editorial comment. The obsolete engineer is no more employable in his profession than the man replaced by a machine.

Technical obsolescence is brought about in three basic ways: training, technological advancement, and misutilization. What was taught 14 or 15 years ago in college is now an introductory course for the modern student.

Transistors which were almost unknown and certainly impractical 15 years ago are already fast being replaced by integrated circuits.

Misutilization of engineering talents by industry through specialization or assignments to pseudoengineering assignments on cost-plus-fixed-fee-type contracts has accelerated the rate of decay of knowledge once possessed.

The DOD economy moves have served only to highlight what ASPEP and other similar engineering unions have recognized and strived to bring to light—that the talents of the scientist and engineers are a perishable commodity if not continuously nurtured and rebulit. The engineer suddenly thrown on the open market without the latest in scientific training and experience is of little value to himself or to industry.

Our experience through a period of 2 years of continuous layoffs has shown that the younger, more highly trained, less experienced, and lower paid engineer will find an engineering position quite rapidly.

The older engineer accustomed to a higher income, with greater family and community ties and investments in a specific locality will often elect to leave engineering rather than relocate his home and family and start once more at the bottom of the engineering ladder.

In many of ASPEP's past negotiations with RCA, proposals were made concerning proper utilization of engineering talent, tuition refund plans and afterhours in plant training programs. To some small degree success was attained in all of these areas but when this updating or retraining effectiveness was tested through the past 2 years of layoffs, it proved to be totally inadequate.

Experience in one specialized area and afterhours study programs in a second specialized area did not qualify an engineer, in the company's judgment, to transfer to the second work area although trained through afterhours courses. The result was layoff for the man not possessing the specifically required experience—training alone was not deemed enough.

In our 1963 and 1964 negotiations, with our experience in the layoffs fresh in our minds and still actually present, the following proposals were made as possible solutions to the layoff retraining requirements:

1. That 5 hours of on-the-job training during a 40-hour workweek be allotted for those selected by the company as requiring retraining.
2. That direction be given by the company to the engineers indicating the requirements in numbers of engineers and skills to be required in the near future.
3. That the general increases to be given under the term of the contract be accumulated for use in on-the-job retraining programs and be used prior to and during a layoff period to update those affected.

Not all of our efforts were directed through RCA, for in addition to these activities ASPEP has undertaken its own technical development program now in its fourth semester. This program is a series of courses prepared and taught by highly qualified scientists and engineers now employed by RCA and it presents courses in many of the newest scientific fields.

The desire of the engineers to remain as active, useful engineers is obvious as seen by the above proposals. To fall out of engineering usually means to fall into other occupations of a lower skill level with the subsequent displacement of another person.

As I stated, time did not permit us to finish our statement and our prepared notes ended. I would like to ask Mr. Andreas to complete our presentation from his handwritten notes.

Mr. O'Hara. Very well; proceed, Mr. Andreas.

STATEMENT OF HENRY J. ANDREAS, EXECUTIVE SECRETARY OF THE ASSOCIATION OF SCIENTISTS AND PROFESSIONAL ENGINEERING PERSONNEL

Mr. Andreas. Our association, Mr. Chairman, is appreciative of the attention given by this committee and Congress to the overall facets of the manpower problem.

We sincerely hope that as a result of your efforts ways will be found to overcome the specific problems which confront the engineers and scientists employed by large industrial concerns: an extremely short professional life and the terrible waste of valuable experience and

demonstrated talent and skills which are vital to the safety, growth, and economy of our Nation.

Engineers and scientists have continued and will continue to seek advancement of their basic education through advanced degrees and special courses at colleges and universities. But basic education cannot keep them abreast of the dynamism of today's technological growth.

What is needed is practical state-of-the-art-type training and experience which is not available except through on-the-job training programs.

What is needed, to be truly effective, is that the opportunity for technical advancement must become a part of the professional's regular working schedules. Engineers and scientists should be permitted or required to spend several hours of their regular workweek participating in in-plant, on-the-job-type programs. Such programs will undoubtedly require inducements to employers in the form of tax credits, grants, or additional compensation within Federal contract awards.

We believe that investment of Federal funds for such purposes would be well justified if it could help to prevent the serious loss of manpower and skills we are faced with today.

We urge the committee and the Congress to conduct adequate research into the growing problem of the waste of engineering and scientific skills. We hope you will provide the means for encouraging on-the-job, working hour, technical advancement programs, and you will assist organizations such as ours in their efforts to provide self-help, supplementary programs of a similar nature.

We are most anxious to cooperate with the appropriate Federal agencies toward these ends and will be happy to participate in any pilot programs which may be undertaken and which may involve scientists and engineers.

We are certain we have not adequately covered this field for you, but will be most happy to answer any questions that you may have, or that will help us to present our case to you.

(The following was submitted for the record:)

(Presented at nine-county bay area Manpower Development and Training Act Advisory Council meeting on January 26, 1965—S. W. Hawkins.)

ENGINEERING OBSOLESCENCE

This report may not seem pertinent to this meeting, but technical obsolescence affects each one of us and we must consider it as a factor in future Manpower Development and Training Act decisions.

Recently I requested the California State Employment Service consider an Manpower Development and Training Act funded project to train unemployed engineers, scientists, and technicians in computer programing. The proposal was not within the intent of the act and was properly rejected. However, I feel the problem of the permanently unemployed engineer is with us now—and the problem of the unemployable individual is rapidly approaching.

Dr. Loomba, of San Jose State College, indicated that the number of scientists and engineers drawing unemployment compensation has risen 150 percent in the past year. In my company, of 633 professional employees on layoff who were given counseling and résumé service by our employment office, 176 cases, as far as we know, are still unemployed; 109 of these individuals, with a median age of 47, have been off the payroll in excess of 4 months.

Why are these technical people having difficulty finding employment?

Part of the problem is that these engineers and scientists are not engineers and scientists—even though they hold the classifications and have worked in the categories for nearly 25 years. It was customary during World War II to hire engineering students in an assistant capacity, and as knowledge and seniority increased, award them full engineering status. Roughly 25 percent of these

176 cases fall into this category. I would assume this percentage is comparable throughout the United States. The men, competent in most cases in a science that no longer exists, are unemployable.

Virtually the same problem exists for another 50 percent of this group. They hold degrees in fields other than engineering or science. So their work experience is E+S and their degree is in economics or English or art. They cannot meet entrance requirements for engineers and their degree conflicts with their work experience. Lastly, we have the 25 percent that are degreed qualified engineers and scientists—qualified for another era that is.

All of these people face an economic, social, and psychological adjustment that is far more difficult than most people realize and the majority of employers that might have job openings won't take a chance on a successful adjustment.

So—why don't they go back to school?

"Let us consider new technical information. Two factors seem to be operating against the engineer and scientist who wish to keep abreast of the developments in his field. One, that the information that he acquired in school does not continue applicable throughout life. It has been estimated that the half life of an engineer's knowledge is about 10 years. In other words, half of his professional knowledge becomes obsolete in a decade * * *."

"At the current rate of technical and scientific acceleration our technical knowledge is doubling every 10 years. A man who received his Ph. D. in 1960, will have missed by 1970 a body of knowledge equal to what he was exposed to during his training."—Allen T. Waterman, Former Director, National Science Foundation.

In short, if our man studied full time, he could never catch up and it would cost about $40,000 to reeducate him. Add a family, a house, a car, and $650 a month for living expenses—he is hopelessly trapped.

We are all practical men, or we would not be serving on this committee. We recognize therefore that in professional areas where union agreements do not regulate terminations, companies surplus the least valuable employees first. Under these conditions a layoff tends to be a "weeding-out" process, and the resultant search for employment is another step in the process of eliminating the inept and obsolescent Engineer. The employability of this person is further complicated by his unwillingness to relocate, to accept a substantial decrease in salary or acknowledge that he has joined the ranks of the efficient, but technically obsolete, buggywhipmakers. The tragedy of this process is that some of the E and S people now employed face the same problem within a 10-year period. And I feel that obsolescence is not a problem of engineers alone. I hope the doctor treating a very dear friend of mine for Bright's desease is aware of a new surgery process being pioneered in New York. We can all pay dearly for obsolescence of knowledge.

I have stated what I believe to be a problem. There are highly qualified people working on a solution; Dr. Torpey of the Office of Emergency Planning; Allan Waterman, former Director of the National Science Foundation; Dr. Raines; and A. C. Montieth. I have a few suggestions to offer to this council.

1. The presently employed engineer or scientist will require at least 1-year paid sabbatical in every 4-year period.

I would like to feel that employers would recognize this need on a 4- or 5-year basis and act voluntarily. I doubt it. Some form of tax relief for employee or employer will be necessary. I concede some discrimination will be necessary, and I feel the subject matter during the year of study should be selected by the employer concerned. If not, we will have all our engineers toasting their toes in Hawaii for a year.

2. The unemployed engineer or scientist will need social and psychological counseling to help him accept his downgrade in capabilities. We might have to establish centers for this. Testing might be necessary to determine his current job capabilities. And we will certainly need a program to educate the employer to accept him in jobs commensurate with his reduced capabilities.

I do not expect the problem to be solved by this Advisory Council. Nor do I think retraining in an enginering discipline is practical. There is too much competition from bright-eyed youngsters with A–B averages.

I am thinking now of a recent IIT report stating that there were no numerical control programers in the Chicago industrial area in 1960. By 1970 (or was it 1975) 200,000 will be needed. This work lies well within the capabalities of the obsolescent engineer or scientist. He cannot be trained, however, unless the Manpower Development and Training Act is revised to allow retraining of professional personnel.

Mr. O'HARA. I think you have given us a clear picture of the problem and I want to congratulate you on your alertness in noticing that hearings were being conducted and for showing your interest in the matter.

As an aside, the effects of the layoffs in connction with RCA's activities around Camden have not all been bad. As a result of a layoff at RCA 4 years ago I got a very fine secretary, Elizabeth Smith. She is still with me and I would say RCA's loss was my gain.

We have become aware of this problem just within the last few days. I received a communication from California relating to the situation in which many engineers and scientists found themselves. In the San Francisco Bay area there are a significant number who developed narrow specialties and were without the kind of training engineers today receive who are now unemployed and who are in their field.

Mr. ANDREAS. The nature of the situation is that regardless of the background an engineer has when he goes into industry, perforce he is put into a narrow speciality and although his efficiency increases, the speciality is bound to go out sooner or later, and he is left hanging there. His opportunity to move into other specialties is extremely limited.

He can't get what is needed in college; it has to be in the "state of the art" training in the industry itself.

Mr. O'HARA. If, suddenly, we found we had no experts on law or tax law, lawyers who specialized in that field would be looking for jobs as hod carriers because they would certainly be unable to cope with today's problem.

Mr. ANDREAS. I think there is a distinction, law is a much more venerable profession than engineering and I don't think afflicted with the tremendous dynamic growth.

Mr. GIBBONS. Not as obvious but I have seen it happen with lawyers. I admit what you say is true but it is not moving as rapidly through transition as your profession.

Mr. O'HARA. You feel on-the-job training is the answer and, I agree with you, there may have to be inducements, though, to get them to undertake this. The purpose of a corporation in American law is to make money for the stockholder, not to take care of the employers or make the consumer happy. It is to make money for the stockholder and if they can make more money cheaply and easily find the skills they need without bothering to train existing personnel, I suppose that is what their inclination will be.

Under this act we have on-the-job-training provision under which the Federal Government will pick up the entire provable cost of an on-the-job training program.

I don't think anything as imaginative as this has yet taken place. As one having been in on the development of that act from the first day, I can say that this clearly is our objective. I think I can also say that the objective of your organization is for the employer to identify in advance certain personnel whose skills are going to become obsolete in light of developments already known, and so these people, before they are put out on the street, can be given opportunities to acquire new skills and competence and move into new areas so there would be no period of unemployment involved.

45-100—65——16

If you are going to be in town for a little while I would like to have you go down to the Department of Labor and talk with the people who are operating the on-the-job-training programs and I am sure the other members of the subcommittee would like a report as to what is the potential of the current Manpower Development and Training Act provisions in situations like the one you described and if the act indeed is deficient in providing mechanisms by which the projects of those needed in your profession can be taken care of.

I think we will have to consider amending the act. I am sure Dr. Knight, our counsel, can arrange for you to see somebody in the Department and discuss this problem.

I really appreciate your bringing this to our attention. Our colleagues often overlook the fact that this program was not designed merely to train unemployed people with the lowest possible skills and find them a job.

From the very beginning we recognized that we were going to have to go into training that involved technical skills and that this was the way the economy was moving and that to make the program effective we would have to adapt it to the skills of the time.

If you recall, in the 1963 amendments there was a great complaint from several members of the committee because some people were being trained in the Manpower Development and Training Act in something having to do with computer programing. This was deplored. I don't deplore it at all. I think that is fine. In my opinion the better job we can train somebody for, the better the act is working.

Mr. ANDREAS. We share your concern about the natural resource aspect. That is one of our prime concerns.

Mr. MORAN. To demonstrate the degree to which we were unprepared, we did not even bring with us the proper number of copies of the outline of our technical development program. These are courses that are presented to the engineers by other engineers who are working in the advanced fields.

Mr. O'HARA. If you would leave that copy with us, we would like to have it for our files.

Mr. ANDREAS. We want you to understand this is a program undertaken by our association totally aside from the employer. It is paid for by the engineers and scientists who take the courses.

Mr. O'HARA. That brings up one other question I would like to touch on and then I will give the other members a quick opportunity to question and then we will have to go.

In Detroit, for instance, I know of one instance, the only one I know of in the country, but I assume there are others. This was an instance where a labor organization, in this case Local 412, United Auto Workers, representing technical and engineering employees of Chrysler Corp., has undertaken its own Manpower Development and Training Act program and it operates a Manpower Development and Training Act program just like the others. I would explore that possibility, too.

Most of the work is carried on in the evenings.

Some of the trainees have lost jobs, others are trainees who still have jobs, but are training for a higher skill, a more secure position.

Mr. Gibbons, did you have something?

Mr. GIBBONS. Mr. Chairman, I am reminded that I was sitting in this chair a week or two ago talking on Mrs. Green's subcommittee about this same problem with people in higher educational institutions from the State of New Jersey, and they were telling us about their continuing educational program, showing us some of the courses they had. I think it is very significant that here we have people from the State of New Jersey that have the problem to show you how closely the labor and educational committees tie together.

This problem of obsolescence of job skills is not entirely confined to the low-income person. It hits the whole spectrum of employment and tends to point out more and more in today's world that a person has to maintain his educational requirements almost as well as he has to maintain his health requirements as he goes through life.

If a person does not maintain his skill, he can become so obsolete so rapidly he won't know what hit him.

Mr. ANDREAS. We are talking about people responsible for much of the advancement.

Mr. O'HARA. You might say they worked themselves out of jobs.

Mr. MORAN. I believe within the past 2 years there have been more and more statements by the professional educators with regard to what we call the half life of the engineer where with the technological advancements and advancements in education, 50 percent of an engineer's knowledge is useless within a 10-year period.

This was recently updated and brought to our attention by the company and in negotiations I understand it was revised 7½ years. We are moving much too fast for my benefit as an engineer.

Mr. GIBBONS. The tendency in all education is for what skills are needed.

Mr. O'HARA. I am sorry, gentlemen, we will have to adjourn.

Mr. MORAN. We will send copies of this booklet.

Mr. O'HARA. Without objection it will be submitted for the record in addition to your statement.

The Select Subcommittee on Labor will recess until 10 o'clock tomorrow morning in this same room.

(Whereupon, the hearing recessed at 11:30 a.m. to reconvene Friday, February 19, 1965, at 10 a.m. in room 304.)

(The following were received by the subcommittee:)

FEBRUARY 19, 1965.

Hon. EDMUND G. BROWN,
Governor, State of California,
State Capitol Building,
Sacramento, Calif.

DEAR GOVERNOR BROWN: As you probably know, the Select Subcommittee on Labor has been holding hearings on H.R. 4257 and H.R. 4271, identical bills introduced respectively by me and Representative Powell on behalf of the administration to amend the Manpower Development and Training Act. These bills would establish the Federal contribution to the cost of Manpower Development and Training Act training programs at a level of 90 percent, effective July 1, 1965, with the remaining 10 percent of the cost to be provided from non-Federal sources in cash or in kind.

On February 18, the subcommittee heard testimony from Mr. Harrison W. Myers, of the Sawyer School of Business, Los Angeles, and from others appearing on behalf of the United Business Schools Association, a national association. These witnesses stated that they have been informed by California State educa-

tional administrators that it will be impossible for Manpower Development and Training Act training projects to be assigned to any private business or vocational schools in California after July 1, 1965, as the State will not provide 10 percent of the costs of training projects not being carried on in public schools or other public facilities.

According to information furnished the subcommittee by Mr. Myers and his associates, more than 50 Manpower Development and Training Act training projects have been approved for assignment to private business and vocational schools in California since the Manpower Development and Training Act training first began in late 1962. This represents more than 10 percent of the total number of Manpower Development and Training Act training projects so far approved in California.

Since the subcommittee will meet very soon to report out these bills, I would appreciate your reply to these questions:

1. Has your experience in California indicated that private business schools and other private vocational schools can play a useful role within the manpower development and training program, and do you believe it desirable for the program to continue to be one in which training projects may be assignable to such private schools?

2. What are the obstacles, in California law or otherwise, to continuing the policy of assigning Manpower Development and Training Act training projects, where appropriate, to private schools once the requirement of a 10 percent non-Federal matching contribution becomes effective?

3. Do you have any recommendations for the subcommittee as to possible amendments in the bills now before us which would accomplish the purpose of allowing Manpower Development and Training Act training projects to continue to be assigned, where appropriate, to qualified private schools in the State of California?

I am sure it will be very helpful to members of the subcommittee to receive your views on this important problem of maintaining the eligibility of private schools to be assigned Manpower Development and Training Act training projects.

Sincerely yours,

ELMER J. HOLLAND, *Chairman.*

STATE OF CALIFORNIA,
Sacramento, March 17, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Committee on Education and Labor,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. HOLLAND: This is in response to your letter of February 19 regarding the hearings on H.R. 4257 and H.R. 4271, and specifically in reply to the three questions you raised.

1. Your first question has to do with the role of private schools in the California Manpower Development and Training Act training program.

From the inception of the act and through January 31, 1965, 446 training projects providing for 28,631 trainees have been approved for California. Of the 446 projects, 395 were in public schools and 51 were in private schools. We feel that the private schools are making a definite contribution as they are providing training opportunities in occupational areas such as the business and technical fields in which they have great capabilities. They have long experience, and are able to provide courses on short notice. In addition, private schools have designed their ongoing programs to provide entry into courses at the convenience of the individual rather than at the beginning of regular semesetrs or quarters and consequently are able to accept individual Manpower Development and Training Act referrals throughout the year. This has materially assisted our individual referral program.

I believe we should continue to utilize California's private schools, as they are effectively supplementing the services provided by the public schools.

2. When matching funds are required at the State or local level, the primary obstacle which will prevent the use of private schools is the matter of funding. To date no State appropriation has been made available to meet the matching requirements. Consequently, the main source of matching funds, if available at all, would be that provided by local public school districts, either by direct expenditures or expenditures in kind. I believe it would be more reasonable to request a State appropriation for 10 percent matching than to expect such matching to be forthcoming from the local level.

3. Because of the transient nature of the trainees being served, and the constant movement of the labor force throughout the United States as well as the manner in which responsibilities were assigned in the act, it is believed that this type of training and retraining is the responsibility of the Federal Government, and that continued progress can best be made under the act if the matching requirements are removed and training costs and allowances continue to be provided at the Federal level.

I trust that this information will enable you to better understand our position with respect to the role of private schools and the practicability of matching requirements under the Manpower Development and Training Act program.

Sincerely,

EDMUND G. BROWN, *Governor.*

FEBRUARY 26, 1965.

Hon. HAYDON BURNS,
Governor of Florida,
State Capitol,
Tallahassee, Fla.

DEAR GOVERNOR BURNS: I am addressing this letter of inquiry to you at the request of Congressman Sam M. Gibbons, a member of the Select Subcommittee on Labor, of which I am the chairman.

At my subcommittee's hearing, February 18, on proposed amendments to the Manpower Development and Training Act, representatives of the United Business Schools Association, a national trade association of private business schools, expressed their concern that the individual States would not be willing to assign any Manpower Development and Training Act training projects to private business or vocational schools after June 30, 1965, if the presently scheduled requirement of partial State matching of the costs of the Manpower Development and Training Act projects becomes effective on that date. Officials of the State of California in particular have apparently indicated that they will not be able, under California State law, to use State funds to meet any part of the costs of Manpower Development and Training Act projects assigned to private schools in that State.

I am writing, accordingly, to ask if there are any obstacles, in the Florida constitution or otherwise in Florida State law, to continuing the present policy of assigning Manpower Development and Training Act training projects, where appropriate to private schools—if the requirement of a State matching contribution, whether on a 10- of 33⅓-percent basis, should become effective?

I would also appreciate your offering any recommendations you may have for my subcommittee as to appropriate legislative action that Congress might take to accomplish the purpose of allowing Manpower Development and Training Act training projects to continue to be assigned to qualified private schools, if the requirement of a non-Federal matching contribution should become effective.

It will be very helpful to other members of the subcommittee, as well as to myself and Congressman Gibbons, to have your views on this matter.

Sincerely yours,

ELMER J. HOLLAND, *Chairman.*

STATE OF FLORIDA,
OFFICE OF THE ATTORNEY GENERAL,
Tallahassee, March 19, 1965.

Hon. J. D. WRIGHT, Jr.,
Chairman, Florida Industrial Commission,
Tallahassee, Fla.

DEAR MR. WRIGHT: I have your letters of March 3 and 4 relating to the distribution and control of Federal funds to private schools under the Manpower Development and Training Act by the State of Florida.

I know of no existing Florida law which would authorize this procedure.

Trusting this will assist you, I am,

Sincerely,

EARL FAIRCLOTH,
Attorney General.

TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

FRIDAY, FEBRUARY 19, 1965

House of Representatives,
Select Subcommittee on Labor of the
Committee on Education and Labor,
Washington, D.C.

The select subcommittee met at 10 a.m., pursuant to recess, in room 304, Cannon House Office Building, Hon. James C. O'Hara presiding.

Present: Representatives O'Hara, Pucinski, and Gibbons.

Staff members present: Dr. R. E. L. Knight, director, and Mrs. Susan Parry, clerk to the subcommittee.

Mr. O'Hara. The Select Subcommittee on Labor of the House Committee on Education and Labor will be in order.

Today we are continuing hearings on H.R. 4257, H.R. 4270, and H.R. 4271, bills to amend the Manpower Development and Training Act of 1962.

With us today are Mr. Joseph Tuma, of the United Auto Workers in Detroit, Mr. Bruce Cole, assistant general secretary of the Chicago YMCA; Mr. George Esser, director of the North Carolina Fund, Durham, N.C.; and the Reverend Leon Sullivan, of the Opportunities Industrialization Center in Philadelphia, Pa.

Each has had experience in the experimental and demonstration project area under Manpower Development and Training Act and, if they and members of the committee have no objection, I would like to ask them to take places at the witness table and make their statements seriatim. We can then have a better idea as to how the projects worked and also the views of these gentlemen on the subject.

I wonder if you, Mr. Cole, would care to lead off? We have your statement which will be inserted in the record. If you wish, you may read your statement or if you prefer you may summarize it.

Mr. Cole. The statement is a long one and I think I will summarize it.

Mr. O'Hara. Very well, it will be printed at this point in the record without objection.

(The statement referred to follows:)

Statement of Bruce M. Cole, Assistant General Secretary, Chicago YMCA, Chicago, Ill.

Mr. Chairman and members of the committee; OMAT project 4–64, the JOBS (job opportunities through better skills) project is a major experimental and demonstration program, charged with training and placing in employment unemployed young men and women, ages 17 to 21 (many occupationally illiterate). During the first year the contract was for 1,000 youths; the second year calls for 1,850. A summary of the first year of JOBS is attached as an appendix to this testimony.

As project director during the first year and a member of the supervisory committee during the second, I represent a consensus of staff learning after nearly 18 months of training as I comment on those proposed amendments to the manpower act where our experience is relevant.

1. Make the Manpower Development and Training Act program permanent and continuing: JOBS strongly endorses this amendment. If our experience is any guide, Manpower Development and Training Act project staffs have developed avenues for recruitment, learned much about training and began experimentation which needs further testing and cultivated a growing number of contacts for placement of trainees in business and industry. Regardless of improved preschool and school techniques, the population of disadvantaged communities will continue to need our kinds of programs for some years to come. It would be a real waste of resources to scatter this experience.

2. Allow the Secretary of Labor to make grants for the conduct of research, experimental, and developmental projects, as well as to enter into contracts for such projects. Again, our experience would lead us to endorse this amendment strongly for three reasons:

A. JOBS has demonstrated the value of integrating all parts of a training program under a single management. Because the YMCA operates an accredited high school for dropouts, JOBS was able to take the primary responsibility for training, as well as for recruiting trainees and placing them in employment after training. This gave us the flexibility to alter curriculum as placement experience indicated gaps in training, to relate the same staff to trainees throughout the whole continuum of intake, training and placement and to deal with the total problems of the trainee, rather than segmenting our approach. The same kind of unified management would be available to other projects under this amendment.

B. The Secretary will be freer to tap the special resources of nonprofit private agencies, where appropriate. The three sponsoring agencies of JOBS (the Chicago Boys' Club, the Chicago Youth Centers and the Young Men's Christian Association of Metropolitan Chicago) were able to combine their separate experience in street work and employment in designing and launching JOBS. The reputations they had earned as youth-serving agencies insured wide community acceptance of this project. Their low-control philosophy of management gave the staff confidence in their freedom to experiment.

C. This amendment would simplify contracting procedures for projects. Currently we receive half our funds from OMAT, in advance payments, based on our estimates of quarterly expenditures and subject to line-by-line auditing. The other half comes from vocational education, based on the number of hourly attendances by our trainees. This procedure not only means that we must maintain two sets of books, but that we must accurately estimate in advance the cost of an experimental project and the percentage of attendance of our trainees. We must also spend the vocational education portion of our budget in advance and receive payment gradually as we report attendances. Fortunately, the YMCA has been able to advance up to $250,000 to fund the initial expenditures for vocational education. This has, however, placed a severe strain on our resources. If a single contract, like our OMAT arrangement, was the sole funding source, life would be much simpler for the agencies involved in sponsoring projects.

3. Remove the present limitation of $3 million for expenditures in any fiscal year for research on manpower problems, and thus allow expansion of the program of research and experimentation authorized under the act: JOBS strongly endorses this amendment. We concur with the testimony of Ivan Nestingen, Under Secretary of Health, Education, and Welfare, to this committee about the great national value to other programs of the research which the University of Michigan's Institute for Social Research has performed on the JOBS project and we would add that it has also been invaluable to the JOBS project itself. Independent evaluation is essential in frankly assessing a project's successes and failures. Many of the changes in the second year of JOBS were the result of consultation with the research staff.

4. Provide Federal financing of 90 percent of the cost of training programs after June 30, 1965, with the 10-percent non-Federal contribution to be payable in cash or "in kind" (i.e., through supply plant, equipment, services): If this is the best arrangement that can be made, JOBS would support it. We would consider the bill, introduced by Representative Carl Perkins, calling for 100-percent financing of the Manpower Development and Training Act program as a more productive formula. While Governor Kerner has recommended matching

funds, these have not yet been voted by the Illinois State Legislature. If other States are like Illinois, they face the need to expand existing services in education, mental health, and many other fields, and they are reaching the limit of acceptable tax rates. The Economic Opportunity Act will place heavy additional obligations on them.

If private agencies, like the three in JOBS, have to produce the 10-percent matching figure, the problem becomes more serious. All three of our agencies have greatly expanded the contribution support they have received for inner city work but the possibilities of further expansion of private gifts are limited. In recent years the Community Fund has been unable to keep up with the rising costs of existing programs, much less fund new ones. Foundations look for new projects where their gifts can be used as seed money but they show little disposition to continue funding beyond the first 2 or 3 years. To meet the exciting challenge of the Economic Opportunity Act the Neighborhood Youth Corps, the college work-study programs, and various community action programs, where our experience would be especially valuable, will tax all our resources and ingenuity. Meeting 10 percent of the cost of a project the size of JOBS would probably be beyond our capacity.

5. Authorize expenditure of up to $500,000 in the period ending June 30, 1967, for special demonstration projects designed principally to facilitate the job placement or Manpower Development and Training Act trainees with past police records. Much of the expenditure under these projects is expected to be for the securing of bonds for such trainees, to assure prospective employers against loss from theft or embezzlement: To this JOBS gives support. About 50 percent of our trainees in both years of the project have had police records. Many companies have been unable to give them employment because of bonding company rules. Five trainees performed well in jobs in a department store warehouse, only to be dismissed at the request of the bonding company because they had police records.

6. Labor mobility amendment: JOBS has no experience in this area to share with the committee.

7. Increase the period for which a trainee can receive training allowances to 104 weeks, so that Manpower Development and Training Act occupational training programs can be developed for more highly skilled occupations than the present 52-week limit allows. H.R. 4257 would also remove the present maximum of 20 weeks for the payment of allowances to trainees assigned to "basic education skills" programs: JOBS strongly endorses these amendments. The chance to offer training in other than low-skill occupations will greatly increase the motivation of trainees. A longer training period will permit more thorough behavioral change. The 20-week limitation on basic education is unrealistic. For most trainees it is too short a period. Our experience would argue that there is no such thing as "instant literacy"; the best remedial education is still a slow, tough process.

Two-year contracts would also be a boon to project operations. Staff could count on some continuity of employment. Experimentation would cover a sufficient period to permit real testing of results. Placement could be fitted to the employment cycle rather than the school year. Administrators could concentrate on operational problems. Annual contract renewals have meant that a project is scarcely launched before the staff must become involved in writing the second year's proposal.

8. Make single persons, living alone or apart from their families, eligible for regular training allowances: JOBS supports this amendment. A number of our youth trainees have lived apart from or without families and received allowances. But, when they reached the age of 22, they were cut off from allowances, even though they might be even more disposed to profit from training.

9. Allow more than one person in a family to receive regular training allowances, provided the head of the family or household is not employed: JOBS has insufficient experience to reach a recommendation on this amendment.

10. Authorize payment of an additional weekly allowance of $5 per dependent for each dependent over two up to a maximum of six: JOBS very much favors this amendment. For both youth and adults with large families this could prove a real gain. For example, one 20-year-old girl with four children (a JOBS I trainee, now employed in JOBS II) would have had her road last year greatly eased by such an increase.

11. Authorize payment of transportation costs for daily commuting between trainee's residence and place of training: The experience of JOBS would indicate

that such a blanket increase in costs is unnecessary. For some special hardship cases transportation payments would be helpful and special arrangements should be permitted for these.

12. Manpower Development and Training Act-Area Redevelopment Act amendment: Again, JOBS has no experience to share with the committee.

13. Direct the Secretary of Labor to give special emphasis to a program of "job development," primarily of jobs in the service trades; for example, home maintenance, appliance repair, hospital service, home nursing. This program would involve cooperative efforts with business firms, industry associations, and other organizations, public and private, to identify job opportunities for which demand exists, devise techniques for meeting this demand, and train workers for the service occupations involved: JOBS strongly favors this amendment. Imaginative comprehensive planning of this type is something which our staff has long wanted. Projects would have the opportunity, not only to seek placements for trainees, but to work with business and industry in uncovering new jobs and in breaking down complex jobs into a series of simpler ones. It might well be that nonprofit private agencies, like the three who sponsor JOBS, could develop some organizations to meet service demands, in cooperation with the Small Business Administration.

Let me thank this committee for the opportunity of sharing our project experience with you. And, on behalf of the JOBS staff, let me express our appreciation to the Congress for the chance to participate in a major assault on one of our most serious domestic problems—unemployed and unemployable youth.

OFFICE OF MANPOWER, AUTOMATION, AND TRAINING, U.S. DEPARTMENT OF LABOR

Attention: Division of Special Programs.

Final Report—OMAT project 4-64 (the JOBS project—job opportunities through better skills, a cooperative program of the Chicago Boys' Clubs, the Chicago Youth Centers and the Young Men's Christian Association of Metropolitan Chicago in cooperation with the Illinois State Employment Service, the Illinois State Department of Vocational Education and Rehabilitation, the Cook County Department of Public Aid, the Chicago Association of Commerce and Industry, the Welfare Council of Metropolitan Chicago and other public and private agencies).

JOBS IN RETROSPECT SUMMARY

A. PURPOSE OF THE PROJECT

The JOBS project was designed to train 1,000 currently unemployable youth (many functionally illiterate) to reach the necessary educational level for employment, to develop the attitudes required for employment, to acquire some job skill experience and, finally, to be placed in employment.

On the average, 600 were to receive 6 weeks of full-time basic education, to be followed by 24 weeks of half-time basic education and half-time on-the-job training in industry. Since our experience showed that the initial 6-week training was too short and that industry was not interested in half-time on-the-job training arrangements, the contract was subsequently altered to provide the same amount of training but in 18 full-time weeks of basic education, on the average, followed by on-the-job training. Many actually required from 30 to 45 weeks of training.

The training was done in 2 sections of 300 each; the 1st section starting in October and the 2d in January. Training was offered in three of the most disadvantaged neighborhoods in Chicago, using youth facilities which were occupied by youth programs at the end of the school day. The 3 units (each serving 100 trainees per section) were the Lower North Youth Center, 1000 North Sedgwick on the Near North side; the Southtown YMCA, 6545 South Union, in Englewood; and the Sears Roebuck YMCA, 3210 West Arthington, in Lawndale. This basic education OJT wing of the program eventually served 890 trainees.

The second wing of the JOBS project was a combination of half-time basic education and half-time vocational education for a 46-week period for 400 trainees. The three units drew trainees from across inner city. They were the Isham Memorial YMCA, 1515 North Ogden Avenue where 100 trainees were to learn mail preparing and handling and duplicating machine operations;

the Newberry Chicago Boys Club, 1300 South Newberrry, where 200 young men were to be trained in automotive service station skills; and the Central YMCA High School extension, 180 West Adams in the Loop, where 100 clerk-typists were to be trained. Eventually 668 trainees were enrolled in these vocational education units.

Research and evaluation of the JOBS project was entrusted by OMAT and the Office of Education to the University of Michigan's Institute for Social Research under Dr. J. R. P. French, Jr., with Dr. Nathan Caplan in charge of the research team.

B. MAJOR CONCLUSIONS OF THE FIRST YEAR OF THE JOBS PROJECT

After the first year of JOBS, most of the initial assumptions have been tested and conclusions can be drawn. Subsequent chapters of this report discuss our experience in detail. The balance of this chapter will attempt to summarize our conclusions:

1. The concept of integrating all parts of a training program under a single management has proven itself

The JOBS project was charged with the primary responsibility for recuriting trainees, training them for employability, and placing them in employment. This gave us the flexibility to alter curriculum as placement experience indicated gaps in training and placement and to deal with the total problems of the trainee, rather than segmenting our approach.

Integrated management allowed us to move rapidly to meet deadlines. Despite a lead period of only 1 month, were able to employ and train a staff, renovate and equip training facilities, recruit our trainees and begin training on schedule. This experience in JOBS is particularly important, since it is our understanding that we are the only major project that had the opportunity of demonstrating the value of unified management.

2. The growing degree of interagency cooperation, public and private, has been one of the most impressive developments of the JOBS project

Most important has been the growing rapport with the public agencies who are directly related to the JOBS project and some 50 other public and private agencies who have given strong support. The contractual relationships involve six governmental agencies; the Office of Manpower, Automation, and Training for project planning and evaluation; the Illinois State Employment Service for assistance in recruiting and job placement; the State department of vocational education and rehabilitation and the regional office of vocational education for supervision of curriculum and training; the Bureau of Employment Security for training allowances; and the Bureau of Apprenticeship Training for assistance in on-the-job training. The clientele JOBS served involved us with the Cook County Department of Public Aid and with probation agencies. If relationships with so many agencies had followed formal administrative channels the project would scarcely have been able to get off the ground. However, in every one of these agencies, staff have given unstintingly of time and resources to insure the success of JOBS. When problems arose a telephone call or a quick conference with friends in an agency opened the way to solutions. The final chapter of this report on interagency and community relationships is an attempt to describe this cooperation and an inadequate tribute to the staff of these agencies, as well as to our elected officials and their staffs: Senators Paul Douglas and Everett McKinley Dirksen, Governor Otto Kerner, and Mayor Richard J. Daley.

The three sponsoring agencies (the Chicago Boys' Clubs, the Chicago Youth Centers and the YMCA of Metropolitan Chicago) had all been working with disadvantaged youth through street work programs and employment projects. JOBS provided them with the opportunity to launch a major attack on a problem they had come to view as crucial in dealing with Chicago's inner city. Each committed resources in proportion with their ability. The project was able to call upon each agency for help whenever needed and the help was forthcoming. An informal but increasingly strong bond of sharing has developed. The three agencies have now joined with a fourth, the Chicago Federation of Settlement Houses and Neighborhood Centers, to explore various possibilities of service under the Economic Opportunity Act. Three of the fourteen staff of the Chicago Committee on Urban Opportunity (the city's "poverty" committee) are on loan from this quartet of agencies.

3. The management philosophy of low control and a high degree of unit autonomy has demonstrated its worth

The JOBS project was designed to permit local units to take the responsibility for operational decisions and to find within their staffs the resources to deal with unit problems. This design was based on four assumptions: (1) that six units scattered across the city could not be closely supervised from a central office; (2) that an experimental program in a new field could not be provided with many prefabricated answers; that answers were most likely to be found by the staff closest to and working directly with the trainees; that the staff would feel freer to experiment and more likely to find fruitful solutions if they could look frankly at their mistakes and failures without fear of being "second guessed" by management; (3) that one quality of a creative, imaginative staff is likely to be a strong sense of counterdependence; therefore the less energy they had to put into resenting management decisions in which they had not part, the more energy they would have to put into performing their jobs; and (4) that both the project director and assistant director were used to a low-control, high-trust atmosphere from their YMCA experience and that this was the management style within which they could most comfortably operate.

Low control did not relieve management of the responsibility of making policy decisions; it did give them better data upon which to make those decisions. It did not relieve them of the responsibility of dismissing staff who were unable to function effectively; it did give them a fairer evaluation of staff. It did not eliminate staff "grousing" about the project; it did provide a more open channel for complaints, giving management a clearer picture of staff morale and what measures needed to be taken to improve it.

As with any management method, this philosophy had it problems. Some staff missed the security of having superiors define their jobs for them. The lack of leadtime for staff training did not permit adequate orientation of staff so the ability of the unit supervisor to develop a staff team was crucial in the success with which his unit dealt with problems. On occasion, the project director allowed his anxiety about training and placement to lead him into the trap of violating the low-control philosophy. It is his personal conviction that the worst administrative errors made during the first year of JOBS came at those times when he reared back and gave out with a "now hear this." The experience of the first year, however, has led the project to strengthen its allegiance to this management philosophy in the second year.

The same approach applied to the visitors who streamed into the project. As an OMAT demonstration project, we conceived it to be our responsibility to allow visitors to go where they wished and to talk to any one they wished. They stayed as long as they liked. One reporter spent a week with the project. This may have contributed, in part, to the fact that one of the many news stories about JOBS struck a negative note.

4. The "open door" recruiting policy of the JOBS project was effective

More than 50 public and private agencies referred trainees to JOBS, the major referral agents being the Illinois State Employment Service who sent nearly one-third of our trainees, the Cook County Department of Public Aid and the three sponsoring agencies. Widespread press, radio, and TV coverage of the first registration was very helpful; a major source for the second registration period was the trainees themselves who sent in their friends. In some neighborhoods units were swamped with registrants; in others staff went into the street recruiting. During the full year of the contract JOBS overenrolled by 56 percent, serving 1,558 registrants on a contract for 1,000.

Since we were aware that intelligence and aptitude tests have a cultural bias that keeps them from adequately measuring the potential of culturally disadvantaged youth, we used no tests as screening devices. Our only criteria for recruitment was motivation: Did the potential trainee want to enroll in JOBS? This approach reached the target population at which we were aiming. While the trainees showed a normal range in intelligence, from 42 to 131, they averaged 90. Sixty percent were male, 40 percent female. They averaged 19 years in age, had dropped out of school on the average at the 10th year, read and figured below the sixth grade level.

For placement within the program after trainees were enrolled, we used the Beta revised nonverbal IQ test and the Stanford Achievement Test's Intermediate Battery, Form J, for reading and arithmetic. (Subsequent studies showed such a high correlation between reading and arithmetic achievement levels that in JOBS II we are only using the reading tests for initial placement.

Another study showed a remarkable correlation between the Beta and the WAIS test and a third study by the Employment Service showed such a high correlation between the Beta subtests and the "G" score on the GATB—which ISES administered to trainees when we thought they were ready for placement—that there is a real possiblity of using the Beta subtests to predict occupational abilities.)

Our retention rate, training and placement experience would argue strongly that the only valid question that training programs should ask of so-called hard-core youth is whether they want the training.

5. Our first year tells us much about counselors and leaves some unanswered questions

Counselors.—One of the key assumptions to be tested by JOBS was the use of counselors, college age and particularly college-trained subprofessionals who were to function as teachers aids, tutors, small group discussion leaders, and to followup the trainee after he entered employment. Given the lack of qualified professionals, we were to determine whether these VISTA-like young people could be effective substitutes. The counselors have been, in general, an exciting and creative group. Assigned an ill-defined role with few guidelines, they have risen well to the challenge. It is the consensus of the staff that they have demonstrated their value. However, as one of the agency heads has pointed out, the role of the counselor is something of a "sacred cow" to the project leadership, so it behooves us to evaluate their effectiveness carefully. Two questions occur: (1) What can be done to strengthen the continuing in-service training of the counselors? (2) What can be done to strengthen further the small group discussion?

6. A summary of conclusions about the training program

The chapter on "Education and Curriculum" details what we have discovered in the first year of JOBS and the adaptations being made in the second year. These may be summarized under four headings: "Basic Education," "Employability Skills," "Vocational Education," and "Supportive Services."

(*a*) *Basic education.*—These were the "three R's," with substantial efforts made by teachers to avoid the traditional ruts that had already failed to reach the trainees in previous schooling and to experiment with a variety of techniques, ranging from programed instruction to the use of foreign language to teach an appreciation of English grammar. The chapter alluded to above describes the problems of adequately testing reading improvement; our trainees showed an average improvement in reading level of 2 years. In JOBS II the following experimental approaches to reading are being tested: An oral approach, games and problem solving, free reading, and educational development laboratories equipment.

Our attendance and placement figures confirm the consensus of the staff that it is much easier to stimulate and maintain trainee interest in basic education when it is directly related to specific vocational education. The problem of trainee boredom in the multioccupational basic education units is one to which the second year of JOBS is giving increased attention.

(*b*) *Employability skills.*—While basic education classes dealt indirectly and, often directly with job requirements, the small group discussions were the major arena for dealing with the "skills," i.e., behavior, that was required to hold a job.

The project discovered that, for the trainee with little or no work experience, classroom performance was no guarantee of job success. Trainee fear of the job interview and of the first week of work often made him fail out of insecurity rather than inability. In the second year of JOBS trainees are spending every fifth week working in teams in nonprofit agencies so that they can experience a sense of achievement in work situations and so that staff can evaluate them on the job.

Most of the trainees had little or no knowledge of the city outside their immediate neighborhoods and many were very fearful of traveling to strange territory. Some refused to accept work in the suburbs. Most of the trainees lacked nay real understanding of what a factory or business was like. To offset this parochialism, JOBS II is scheduling regular trips around the city and to industries. Initially the idea of regular grooming courses seemed ludicrous to some of the contracting agencies. ("We should pay for charm courses.") The trainees' obvious lack of knowledge of standards of dress and grooming that are acceptable to business led us to experimenting with grooming classes as part of the small group discussion in some units. The popularity of the classes with the

trainees and the greater ease with which they were placed in employment have made grooming a regular part of the curriculum in JOBS II. The grooming classes succeeded so well in teaching two of the JOBS I trainees that they are part of the instructional staff in JOBS II.

(*c*) *Vocational education.*—The greatest advantage of vocational education proved to be the fact of the machinery itself which provided opportunity for the trainees to involve themselves in mechanical manipulation, i.e., in "doing something" with their hands. The greatest problem was the lack of teaching experience among the vocational instrtuctors, which ceased to be a problem after the initial weeks of the program as the experienced gas station mechanics, mimeograph operators, etc., learned how to teach.

(*d*) *Supportive services.*—The JOBS project had initially expected what proved to be an unrealistic amount of supportive services from the counselors.

The need for caseworkers: The project early recognized that many of the trainees' problems called for the support of a trained caseworker. The counselors tried to fulfill this role but their inexperience and the press of their other duties limited their effectiveness. The Cook County Department of Public Aid assigned an excellent man to handle referrals. For the second year of JOBS he has joined the staff to supervise the caseworkers who have been added to each unit's staff and who are giving the professional support that was lacking in JOBS I.

Psychological services: An assumption of the JOBS project was that most of our trainees would be helped sufficiently by a group work approach but that a minority would require special psychological support. This proved to be the case. About 90 required the special diagnostic services of Dr. Bethel Gross and a somewhat smaller number were referred for therapy to the central counseling service.

Health: It was ironic in JOBS I that, while we could test for psychological disturbances and provide for mental problems, we could not test for physical health. Thus, unless the staff had unusual diagnostic powers, trainees who had difficulty in class due to sight or hearing problems might be considered dull. We also placed trainees on jobs only to discover that physical ailments (bad heart, hernia, etc.), precluded them from performing. JOBS II has been given the right to give diagnostic physical examinations.

Environment: Some of the trainees in JOBS I lacked homes or had such poor home environments that it was impossible for them to perform successfully. JOBS II has been given the right to move such trainees into a controlled living experience at the Southtown YMCA.

Trainee loans: Coming from very poor circumstances, many of our trainees live in a state of chronic financial crisis. Any upset a delay in receiving training allowance checks, a family illness, will overdraw their meager resources. During JOBS I, advances to trainees were a constant drain on staff pocketbooks. Since the Government could not legally establish contingency funds for trainee loans, the Sears Roebuck Foundation provided JOBS II with $8,500 for student loans, both to meet emergencies and to teach trainees practical lessons in credit.

7. *Some conclusions about trainees*

(*a*) *Motivation.*—One of our assumptions was that the trainees would be difficult to motivate—that we would have a hard time cutting through the scar tissue of failure which previous experience with schooling and employment would have created. This proved to be less difficult than we had anticipated since the accelerating civil rights movement gave Negro trainees, often for the first time, the sense that, if they became employable, jobs would, in fact, be waiting for them.

We knew from earlier research on our street gang programs that the trainees were aware of and placed a high value on the traditional middle class goals of finishing school, getting a job, establishing a home, etc. Our success with trainees was in direct proportion to our ability to make them see in JOBS (job opportunities through better skills) a chance to achieve those goals, to enter the legitimate opportunity structure. Where we failed with trainees it was often because they still saw the American dream as only a dream which they could not realize in actuality.

(*b*) *Training allowances.*—We anticipated that the training allowances would be a powerful factor in motivating the trainee. They proved to be but two problems developed: (1) the trainees soon discovered that they would receive their full allowances whether they attended or not. This made us terminate some trainees we might have otherwise been able to keep, since we did not want to waste Government money on trainees who were excessively absent. (2) Many trainees were absent on "check day" because they were afraid that the checks

would be stolen from their mail boxes. Both these problems were eliminated in JOBS II by limiting training allowance payments to days attended or to excused absences and by permitting the units to issue the training allowance checks to trainees.

(*c*) *Trainee age.*—One of the crucial factors in determining whether or not a trainee would be successful in JOBS was the degree to which he had outgrown the pull of the street. Much of this is simply a matter of age: the older the trainee, the more likely he is to have concluded that there isn't much future in "hanging" on the street. Manpower Development and Training Act regulations have lowered the age limit from 18 to 16 years. JOBS II anticipated and is experiencing greater difficulty in separating these youngsters from their street ties. When this is coupled with fact that the State of Illinois makes it illegal to place youngsters under 18 in many kinds of jobs, the question arises whether it might not be more profitable to limit enrollments to youth who have reached their 18th birthday.

8. Employment and placement statistics

Tables of placement and attendance statistics will be found in subsequent chapters. They may be summarized as follows:

The job development staff uncovered 1,547 job openings and made 528 job placements; the on-the-job training staff made 309 placements in on-the-job training slots. Some of these were multiple placements, i.e., one trainee was placed in two or more jobs.

Completed training.—524 (33 percent) of the trainees completed training. Of these, 292 (19 percent) were placed prior to September 4, 1964, the end of training. Of the other 232 (15 percent) who completed training but were not placed by September 4, 118 (8 percent) were placed in employment by November 1, 1964, the official end of the JOBS I contract. Thus a total of 410 (78 percent of those completing and 26 percent of the total trainees) were placed.

Terminated for good cause.—523 (33 percent) of the trainees were terminated for good cause. The reasons were: Counseled into employment or found jobs on their own (259), entered the Armed Forces (22), returned to school full time (14), referred to other training programs (4), pregnancy (34), illness (47), death (4), no training allowances (11), lost baby sitter (19), other domestic problems (16), marriage (2), moved from Chicago (30), jail (6), completed on-the-job training before September 4, 1964, but not placed in employment (32), miscellaneous (23).

Terminated without good cause.—511 (33 percent) of the trainees were terminated without good cause, usually for poor attendance.

If the 410 who were placed after completing training are added to the 259 who were terminated to enter employment, a total of 669 (43 percent of the total trainees) found jobs. Sixty five JOBS I trainees were reenrolled in JOBS II.

9. Contract terms

The expenditures under JOBS I were:

Contracts	Approved budgets	Actual expenditures	Amount returned [1] to Government	Percent of total budget
Office of Manpower, Automation, and Training	$541,057	$521,733.73	$19,323.27	4
Bureau of Apprenticeship Training	24,741	18,516.92	6,224.08	25
Vocational education	485,557	438,825.02	45,731.98	9
Total	1,051,355	980,075.67	71,279.33	7

[1] During the year the OMAT contract had been amended adding $18,770 to provide for 3 additional administrative and 1 clerical staff. In fact, these funds were not needed, since the amount returned to OMAT was in excess of the amendment.

The vocational education funds were never received, in fact, since they do not pay in advance but only after hourly attendances are submitted.

The JOBS project staff has appreciated the assistance which both vocational education and OMAT have given us in the regular audits they have made of our books.

We have been impressed with the willingness of the Government to adjust the second year contracts to meet our experience. (Most of these changes have been alluded to above.) The flexibility with which they have changed to reflect experience of this project has been impressive.

Two problems remain to be solved:

(*a*) The lack of leadtime between JOBS I and JOBS II precluded as effective a planning and staff training job as we would wish to have done for the second year of JOBS. The "cliff hanger" effect of not getting the second years' contract approved until the last minute before the first contract expired placed a deep strain on staff morale.

(*b*) The actual timespan of the project proved to be problem in placement. Geared to the school year in order to make recruitment of teachers easier, the contract ran from September to August 31. This meant, however, that trainees were completing training and needing placement in the summer months, a low point in the job market. The same error was made in JOBS II. A program which ended later in the year would find the placement problem eased.

CONCLUSION

It may not be inappropriate to express the gratitude of the staff for the chance to participate in such a project as JOBS. Despite mistakes and errors, all of us share a sense of having had the opportunity to tackle one of the major problems of our times and to contribute in some degree to its solution. We share, too, in appreciation of the trainees, whose willingness to learn has made it possible for us to teach and whose successes will determine our own.

Mr. O'HARA. Very well, Mr. Cole, you may proceed with your comments.

STATEMENT OF BRUCE M. COLE, ASSISTANT GENERAL SECRETARY, CHICAGO YMCA, CHICAGO, ILL.

Mr. COLE. In my prepared statement I have tried to respond to each provision in the bill.

I have tried to draw a summary of what has occurred in our first year in our "Job Opportunities through Better Skills" project. The first idea of making the Manpower Development and Training Act permanent we would certainly buy. I think we would do so primarily because we have begun to develop some avenues of getting the job done, and it would be a real shame to break up these experiments scattered around the country at this point.

We are very strongly in favor of the second amendment which is to allow the Secretary of Labor to, in effect, do a single contractual arrangement on these programs. We have been able to work out a good relationship with agencies we deal with but, if we had more time for operation and spent less on these relationships, we might be more successful.

Our experience in being able to do the whole job—I believe we are about the only project, at least at the time of the beginning of the project, that had the complete managerial control from intake to placements, and this made us much more flexible in training than where you have to deal with the board of education, employment service, and so on.

I think, too, it is better from the funding standpoint if you have to cope with only one set of books. We have had real problems along that line. In fact in our first year we had three sets with three different contracts. We are very much in favor of simplifying this.

We also are very much in favor of expanding the amount for research. I think one of the problems is there hasn't been sufficient research on these projects. We have been very fortunate in that we have had an excellent research organization and the suggestions they

have been able to feed back to us have been very helpful in changing our program.

On the 90–10 split on funding, if that is the best we can do, fine. Congressman Perkins' idea on 100-percent funding might actually get the job done better. In Illinois our Governor is in favor of the State funding this 10 percent, and there is a fair chance that they will, although there are all kinds of other demands from mental health, vocational education, and so on.

Speaking as I do for three private agencies, the Chicago Boys' Group, the youth center, and the YMCA, if we really get into the governmental programs where we might be of help, raising the 10 percent is going to be a severe strain.

We are raising substantial amounts from private sources and have expanded that. The community fund at present has not been able to keep up with our present programs and would not be able to fund new ones. Foundations have given seed money for a few years and then expect you to find other money, so we will have a real problem of coming up with the scratch to do the job that you are opening up for us in the poverty programs.

The amendment which would allow the Government to, in effect, be a bonding agent for kids with police records would be tremendous. We have had a lot of experience with this as about half of our kids have prison records. It is easy to get such a record in a slum neighborhood.

If I am a high school student in a suburban area and get stoned in my Dad's basement, that is one thing. If I am in Lawndale out there on the corner, I get picked up. So about half the kids have police records, minor or major.

We had the experience last year of placing five kids with department store warehouses. They were doing a good job, they had raises and were getting along fine, but they had to be fired because the bonding company could not take employees with police records.

If this amendment had been in effect then, they would still be working there.

The idea of extending the training period is excellent. Removing the restriction on basic education would be a fine thing. If we had 104 weeks instead of the present limitation, we could really train some of these people for much higher skills than we are able to do now.

I would like to take a look at that at all levels as a real possibility because we have some very bright kids so damaged educationally that they really need help, but they do have a real potential.

You have many low-skilled jobs that are likely to disappear during the next few years. I think you are doing something very wise in removing the limitation of 20 weeks for the payment of allowances to trainees assigned to basic education skills programs. In our case we have gone up to 45 weeks on some of these kids because you don't do a good job on remedial education in such a short period.

Mr. GIBBONS. Excuse me, what are you teaching?

Mr. COLE. The old 3 R's—"reading, 'riting, and 'rithmetic." We are teaching a lot of communication skills and a good part of the time is spent in discussion work on behavioral and attitudinal problems.

This is sometimes more crucial than the academic education. I think if you have a chance to read it, in the summary there is a little bit about that.

I would be happy to send you a big fat report but you would never have time to read it, but working on the attitude and behavioral problems of these kids is perhaps the most important part of the training.

If our research guys are any good, and I think they are, they indicate these kids have the same set of goals that the middle-class kids do. These kids want a job, they want to get married, they want to have a home and prefer this above the traditional gang values of "hanging" on the street and being tough.

But you have to find some way of showing them how to move legitimately toward these goals. The degree to which this opportunity becomes more than a dream to them is the degree to which we can get them really motivated in training. Some of these kids just quit coming. Our batting average is about two out of three.

I think on the training allowance, the changes there allowing single persons to receive allowances even though they are living apart from their families, that makes a lot of sense.

We are doing a youth program and as soon as some of these kids get to be 22 they go off training allowances. We have some youths with no homes, living apart from their families, and we have had to cut them off because they have gotten too old. We have not had a lot of them, but a certain percentage had to be dropped because they got too old.

To respond to the idea of allowing more than one person in the family to have a training allowance: We have not had enough experience on that. There has been a thought that by some of the staff there might be so much going into a single family of these training allowances that some might not be motivated to take a job.

Mr. GIBBONS. Yes, that worries us, too.

Mr. COLE. The idea of authorizing extra payments for dependents is very sensible although we are a youth program; some of these kids do have families. I mentioned in the testimony one 20-year-old girl, a former trainee, who is now employed in our organization.

She had four children but never picked up a husband along the way and she had a terrible time. We had to, in effect, almost get a volunteer babysitter for her. If she had had the extra funds to help her with those kids, it would have been easier for her.

I picked this girl but I could have picked 50 or 60 others from our program.

We are not so sure about a blanket authorization for transportation; most of our kids have not had that much of a problem. There are situations where it would make sense to have an allowance. Our programs operates two ways, drawing the kids from neighborhood basic education units and from across the city into vocation programs, where it would cost $2 or $3 a week for transportation.

If they really have a lot of expense, that could be a drain on the $20 allowance they get. The staff feeling was that we have 1,850 trainees and if you multiply that by $3 a week, it is a big piece of change. It might be better to use that money to train more people.

The final suggestion, Mr. O'Hara, the idea of the Secretary giving attention to job development really excites us. We have been so busy trying to do training that we have not really gotten into the aspects of the job development.

We really think that dividing some of these complex jobs into simple ones the kids could do, or developing service occupations, would be

most helpful. We are very impressed with this idea and would probably like a chance to experiment with it ourselves.

We think it may have a great potential for kids, not sufficiently employable to aim at that higher job to find employment in the simpler ones.

Thank you for the chance to testify.

Mr. O'HARA. Thank you, Mr. Cole.

Mr. Esser, could you give us the benefit of some of your experience?

Mr. ESSER. Yes, sir; I will be happy to do so.

Mr. O'HARA. Without objection, your prepared statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT BY GEORGE H. ESSER, JR., DIRECTOR, THE NORTH CAROLINA FUND (A NORTH CAROLINA NONPROFIT CORPORATION)

Mr. Chairman and members of the committee, I welcome the opportunity to appear before this committee as a representative of the North Carolina Fund, and to discuss with you amendments which the President has proposed to the Manpower Development and Training Act.

I especially want to relate to you the background and purposes of the demonstration project in the field of manpower training which we have contracted for with the Secretary of Labor.

In North Carolina we have long been concerned about the unemployment rate in our rural areas and with the proportions of migration from our rural areas to the Northeastern States. It has been our desire to develop better ways to find employment opportunities for the unemployed and underemployed in our rural areas where the land no longer supports many, many thousands and where productive manpower is not being put to full use. We want to help these people get the training needed for productive employment, find job opportunities, and retain our manpower resources in North Carolina, rather than see our citizens migrate to other parts of the country.

The North Carolina Fund itself acts as a foundation, providing support for comprehensive programs of experimental action designed to reduce significantly the incidence of poverty in local communities throughout the State. Further information about the fund and its program is attached to this statement.

UNEMPLOYMENT

At the end of March of 1962 more than 100,000 North Carolinians or about 5.9 percent of the State's civilian labor force were unemployed. Figures for individual counties may be found in "The Dimensions of Poverty in North Carolina" which is also attached to this statement for reference. Fourteen counties had unemployment rates of 10 percent or more; two, Graham and Tyrrell, at opposite ends of the State, had over 20 percent. In general, unemployment rates were lowest in the Piedmont; highest in the far western, northeastern, and southeastern portions of the State. The correlation between low incomes and unemployment rates is surprisingly low. A partial explanation may be found in the several agricultural counties which, though featuring low-income levels, have not yet felt the full impact of the mechanization of agricultural production. One can safely predict higher unemployment rates for such counties in the coming decade unless massive programs of education, retraining, industrial development, and perhaps even relocation are undertaken. Several counties in the coastal plains have both high rates and large numbers of unemployed persons.

Defining the "underemployed" as those workers who are left in a situation where their productivity and their wages are abnormally low, almost a third of the State's workers worked less than 40 weeks in 1959. The correlation between unederemployment and income is rather high, suggesting that lack of full-time employment is reflected in the low incomes which characterize the most impoverished counties. In four counties half or more of all who worked in 1959 did so for less than 40 weeks.

EDUCATION

Education has long been considered one of the most important channels for vertical mobility in our society. In light of today's widespread replacement of

workers by machines however, the fact that education is a two-way channel, merits emphasis. Demand for unskilled and semiskilled labor is declining; stable employment increasingly depends on how much education and training one has acquired. The illiterate adult and the youth who drops out of school in the 10th grade are apt to find themselves moving down in our society. Their lack of schooling increases the probability that the economy will pass them by, relocating them to lives in the culture of poverty.

In 1960, the median number of school years completed by North Carolinians aged 25 and over was 8.9. This figure places the State in a three-way tie (with Arkansas and Mississippi) for 44th place among the 50 States. For the entire Nation, the median number of school years completed is almost 2 full years greater than North Carolina's median. Only five counties in North Carolina surpass the national median of 10.6. The others range to a low of 7.2 years.

Educators describe any person with less than 5 years of schooling as "functionally illiterate," 16.5 percent of the State's persons over 25 years old fell into this category in 1960. The percentage range was wide, from a low of 7.6 to a high of 30. There is a tendency for counties which rank low in income to rank high in illiteracy rates as well.

POPULATION

North Carolina's 1960 population of 4,556,155 persons represents an increase of nearly half a million (494,226) over the 1950 figure, or a gain of 12.2 percent in the decade. While large in absolute terms, this gain is the smallest percentage increase of any decade of this century. It is also well below the 1950–60 percentage increase for the Nation (about 19 percent) and for the South Atlantic States (about 23 percent). Thirty-eight counties experienced a net loss of population during the 1950–60 decade. Heaviest losses occurred, with only a few exceptions, in the Mountain counties, the Coastal Plains, and the Tidewater region. The heaviest gains were made in the urban Piedmont counties. The same counties with low-income levels tended to be those which experienced a loss of population during the last decade.

Since the natural increase (births minus deaths) during the 1950–60 decade totaled 785,770 persons and the net increase for the State during that period was 494,226 persons, the State experienced a net outmigration of 6 percent (291,544 persons) during the decade period. On the average, about 80 more people moved out of the State daily than moved in. Net outmigration occurred in 87 of the State's 100 counties; 17 of the 87 had rates in excess of 20 percent. There was a strong tendency for counties with high proportions of low-income families to be those experiencing heavy net outmigrations as well. A steady exodus of their populations, then, is a major population characteristic of those counties in which rates of poverty are highest.

North Carolina is still a predominantly rural State. In 1960 only 39.6 percent of the State's population was classified as urban, compared with 69.9 percent for the Nation as a whole. Within the rural category the nonfarm population outnumbered the farm population by about 2½ to 1. That is, 42.7 percent of the State's population was classified as "rural nonfarm." Only 17.7 percent of the State's population was actually classified as rural farm. The correlation between low income and the proportion of the population classified as rural farm is significantly high, showing a definite tendency for the predominantly agricultural counties to have high percentages of low-income families. But the agricultural counties tend to be those which experienced the greatest net outmigration during the last decade.

MANPOWER TRAINING DEMONSTRATION

One of the ways in which the North Carolina Fund hopes to contribute to the solution of these problems is through a demonstration manpower training program which it has contracted for with the Secretary of Labor. Under this program the fund will endeavor to provide programs for the recruitment, testing, selection, counseling, and referral of individuals for occupational training, and to develop programs of one-the-job training. The program will be carried on in the six rural counties of Nash, Edgecombe, Craven, Richmond, Robeson, and Scotland.

The program will experiment with uses of manpower training programs for severely disadvantaged rural workers residing in areas of long economic decline, low levels of education and family income, high rates of outmigration, and severe cultural problems which restrict the effectiveness of the application of training and other manpower services.

The program will be coordinated with community action programs in these rural areas designed to combat poverty. These community action programs are responsible for applying all available resources in their efforts to reduce and eliminate poverty.

The program seeks to demonstrate that in the course of operating a manpower training program, all of the people in the rural areas who are in need of available services can be aided to some degree. In the course of searching for individuals who can be aided by the manpower training program, this project will observe persons who need aid from other existing service programs and will secure the cooperation of other agencies in referring such people to them.

Believing that on-the-job training is a very efficient way of meeting the needs of the small employers who exist in rural areas, the program will promote on-the-job training as a desirable device in these areas.

The program will seek to break the now typical south-to-north migration pattern of eastern North Carolina through demonstrating that there are many employment opportunities within the State. Most of the people who migrate from eastern North Carolina go to the industrial North, when the Piedmont area of North Carolina is expanding industrially and has many unfilled jobs.

The program in the rural areas of North Carolina will be linked to projects in the northern cities so that those individuals who do choose to migrate to the North can be assured of some supportive service when they reach their destination.

The project areas have already exhibited their willingness and ability to participate in community planning, and coordination through the development of community action projects which are a part of the North Carolina Fund's grant relationship with them. Basically, this project will seek to find the people with employment needs, determine their needs, determine what is necessary to satisfy these needs, and then put into effect new programs designed to meet these needs.

The present manpower program calls for the selection, training, and placement of a minimum of 1,000 unemployed individuals. It is anticipated that an additional 4,000 individuals will be interviewed in the course of selecting the thousand who will be given special training. These additional 4,000 will be given counsel and will be referred to jobs in appropriate outside agencies.

Of the selected 1,000, 600 will be placed in on-the-job training situations developed and supervised by the North Carolina Fund. The project will concentrate on unemployed heads of households who are 18 years of age and older, who earn less than $1,200 a year from agricultural labors, and who are out of work for more than 6 months of the year.

DEMONSTRATION MOBILITY PROJECT

In another program to operate in the same six counties, the North Carolina Fund hopes to demonstrate whether unemployed persons to economically blighted rural areas of eastern North Carolina, when provided with the appropriate counseling, financial assistance, job placement assistance, and adequate supportive services, can be satisfactorily employed in the more highly organized and industrial Piedmont region of North Carolina and of other Eastern States through the physical relocation of workers, their families, their household goods and personal effects. The fund hopes to identify circumstances and techniques which are required to achieve this purpose.

In these six rural counties of eastern North Carolina the unemployment rate ranges from 5.9 percent in the most favored county to a high of 12.5 percent. The unemployment rate of four counties in the industrialized Piedmont section of North Carolina, Durham, Forsyth, Rowan, and Mecklenburg, is substantially less than the State rate of 5.9 percent. Although it is the intention of the current manpower training program to develop employment opportunities in these six counties in eastern North Carolina, it is apparent that it will not be feasible to find employment opportunities for all of the locally unemployed.

This demonstration project will develop employment opportunities in the Piedmont section of North Carolina with the assistance of North Carolina Fund community action organizations and the Employment Service and through the efforts of a staff person designated for this purpose. Employment opportunities in other States will be developed by a staff person assigned to this function in cooperation with other Office of Manpower, Automation, and Training experimental and demonstration projects in Eastern States, the appropriate State employment services, and other Ford Foundation projects.

The North Carolina Fund, through its program of manpower training, has been working with the unemployed and underemployed workers in the six specific counties in eastern North Carolina. The fund will recruit and select from these workers those who may be interested in and who, in the judgment of the fund's staff, may beneficially be assisted in gaining steady employment through the physical relocation to areas of greater employment opportunities. This program will not involve a fixed group or constructed sample, but will involve general recruitment.

During the period ending June 30, 1965, efforts will be made to relocate from eastern North Carolina up to 200 unemployed persons, their families, and household effects to high employment areas, primarily the industrialized areas within the State.

Workers who are selected for relocation financial assistance under this program will qualify for a grant of 50 percent of allowable expenses, a loan of up to 100 percent of allowable expenses, or any combination of grant and loan up to 100 percent of allowable expenses in which the grant will not exceed 50 percent of allowable expenses.

The mobility project staff will provide intensive counseling services to the workers who are designated for relocation. The staff will provide orientation assistance both before and after the move.

AMENDMENTS

It has already become evident that the mobility demonstration program will require more time than the year originally provided for under the Manpower Development and Training Act. For this reason the North Carolina Fund would heartily support an extension of this legislation to permit fuller experimentation with techniques and specialized methods to cope with problems of this nature.

It appears that the proposed legislation will amend the Manpower Development and Training Act to allow for grants of 100 percent of mobility costs rather than for the present 50-percent allowance. This would seem much more realistic than the present provision since some large families cannot be relocated without considerable financial hardship even though their new jobs will constitute an economic advance.

The manpower training program on which the North Carolina Fund is embarking is a contract arrangement with the Secretary of the Department of Labor under title II of the Manpower Development and Training Act. Although this program is a first step in meeting the employment needs of rural unemployed people, it will not serve as a complete answer to unemployment problems. The proposed legislative amendment to establish an experimental grant program under article I of the Manpower Development and Training Act would permit such organizations as the North Carolina Fund greater freedom in designing new methods for coping with unemployment since many of the aspects of unemployment problems are still unknown. Since the experiments by the North Carolina Fund will serve the needs of the whole Nation, such experiments probably should be conducted under title I, through grants, rather than under title II, as a contract, within the fund allocations for North Carolina.

Although the fund does not as yet have any experience in providing allowances for unemployed persons while they are engaged in training programs, the proposed provision for allowances within the program should prove a helpful addition to this experiment and would probably provide for a more efficient operation of this program since it would provide for more flexibility.

We have not been able to determine how many weeks it will take to train persons with limited education in order to make him employable; however, we do feel certain that the extension of the present 72-week provision to 104 weeks would provide useful flexibility in any program to help the undereducated. The functionally illiterate may require a great deal of education before they are satisfactorily placed.

The North Carolina Fund has high hopes for the success and contributions of the two demonstration projects which I have described and I commend the Congress for making such programs possible. I appreciate this opportunity to appear before this committee to share with you a few experiences and thoughts which might bear upon the proposed amendments to the Manpower Development and Training Act.

[Administrative draft]

NORTH CAROLINA MOBILITY EXPERIMENT

Among the reasons for unemployment in the United States is the fact that many prospective workers live away from areas of growing job opportunities. When the pressures become great enough, people, of course, move to where there are jobs.

For many years the rural areas of the Southeast and Midwest have been furnishing people to the faster growing metropolitan areas of the Nation. This movement of people has, in general, been a help to all concerned. The sending areas have lost people who were unproductive drains upon the economy, the receiving areas have received needed workers, and the people themselves have enjoyed a higher standard of living along with the feeling of pride which accompanies a good job.

Unfortunately, many problems have occurred as people have moved.

Some communities have lost too large a proportion of young adults.

Some people have entered a large metropolitan area full of hope, only to find that they do not have the work skills needed by the community or even the ability to adapt to the community's way of life.

Some communities have had their reputations ruined because the migrants from them fit so poorly into the life of their new homes.

Often the very poor with families have been unable to move, even though they have the most to gain, because they cannot afford to do so.

Some cities overwhelmed by new people have had their welfare budgets increase enormously.

Beause of lack of information people have frequently moved to a large industrial metropolis without realizing that the city had a severe unemployment problem.

Because of this same lack of information, areas which could use new workers go without.

Because many of the persons who find it necessary to move to new jobs have little savings, and because of the cost of moving, either their savings are destroyed or they go into debt, and they arrive in their new homes without the financial resources to meet emergencies.

Almost everyone who moves is tempted to return "home" even though they have a good job in the new place, and "home" means a return to poverty. Maybe the people seem strange, or the water, or the bugs, or the shape of the land. Homesickness can have a thousand reasons and when coupled with loneliness and a few failures drives people away from what could have been a good life.

A great many people have decided that the good things that come from migration do not have to be accompanied by the bad things, and Congress has appropriated a few million dollars so that a limited number of mobility experiments can be conducted. To date only two organizations, the North Carolina Fund and Project ABLE in South Bend, Ind., have been picked by the Office of Manpower, Automation, and Training in the Department of Labor to attempt to demonstrate to the Nation the effectiveness of a program for helping unemployed persons move. The act authorizing the experiments runs out in June 1965, and whether new legislation to provide a permanent program on a nationwide basis is approved will depend upon the ability of the few experimental programs to show that they are means of reducing unemployment.

Six counties in eastern North Carolina (Craven, Edgecombe, Nash, Richmond, Robeson, and Scotland), are about to begin training 1,000 unemployed persons and members of farm families with annual incomes of less than $1,200 per family. It is hoped that the trainees will be able to put their new abilities to work at home and contribute to the local economy, but it appears that, for some of the graduates, there will not be a sufficient number of local jobs.

At first the mobility experiment will concentrate on helping families where the family breadwinner is: (1) not accepted by the training program, (2) interested in moving, (3) unemployed and unlikely to become employed on a regular basis without moving, or the member of a farm family with a family income of less than $1,200 per year. As the training program produces graduates, the emphasis will be shifted to them as much as neecssary, but only if a job cannot be found close to home.

People leaving the eastern counties have established a migration pattern. Very little research has been done regarding this, but some study presently is being conducted as part of the mobility demonstration. It still is too soon to be

determined, but it appears there is a tendency for people moving out of eastern North Carolina to move to cities in the Northeastern United States which are presently unable to provide work for them.

SERVICES TO BE PROVIDED

1. Job developers will arrange for full-time employment in the receiving community. The job will pay at least $1.25 per hour, and care will be taken to insure that the job is not taken from someone else. No one will be helped to move unless such employment is guaranteed. Wherever there is a recognized collective-bargaining unit, its permission will be secured. Subject to further examination, it is felt that one of the best possible areas for eastern North Carolinians to move is the prosperous piedmont. Even if this is proven to be true, arrangements will be made for some families to move out of the State.

2. If needed, on-the-job training will be arranged for the new arrivals, with the employers being reimbursed for training expenses. If possible, supplementary education also will be arranged.

3. All moving expenses of the families may be paid, but if more than 50 percent of the expenses are provided, the amount above 50 percent will be in the form of non-interest-bearing loans repayable in installments.

4. A lump sum will be given to each family if needed. The money will be in addition to other payments, and the amount will be based upon the size of the family. If more than 50 percent of the formulated amount is paid, the amount in excess of 50 percent will be in the form of a non-interest-bearing loan repayable in installments.

5. Counseling will be provided both before and after the move. Great care will be taken to insure that people moving will have a realistic view of the meaning the move will have in their lives. As complicated as human life is, there will be many things, both pleasant and unpleasant, in store for them if they move. Such service as proves necessary will be provided in the receiving community. This service will be available for approximately 1 year and will be based upon visits to both the home and job. The entire family will be served, not just the worker; and the service will be in whatever form the family may need to adjust to the new community.

MOBILITY PROGRAM DETAILS

Eligibility

1. Unemployed through no fault of own, or, unemployed for more than 6 weeks for any reason.

2. Or, a member of a farm family with a net family income of less than $1,200 per year.

3. Perferably but not necessarily the head of a family.

4. No reasonable expectations of securing full-time employment within present commuting area.

5. Is accepted as a client by the mobility program.

Moving date

Unless Congress extends the law temporarily, everyone who is to be moved must be identified and have a job offer before July 1, 1965. Unless the law is extended, everyone must be moved before August 1, 1965.

Moving costs

Whose moving expenses will be paid? Any person living with the worker or who would be, if the worker were employed. But, only if related in such a way that they meet the qualifications of a deductible relative under Federal income tax regulations. Dependent relatives residing in a school or hospital, etc., shall, if otherwise eligible, also have moving expenses paid.

When may they move? The worker may move at any time there is a suitable job offer and the pertinent papers have been processed. Family members may move at the same time as the worker or later if a suitable reason exists.

What may be moved as part of the program? Family pets (but not livestock), tools (but not farm implements such as disks, harrows, and plows), and all ordinary household goods. All in all, not more than 2,500 pounds for a single person or 7,000 pounds for a family. The weight of vehicles driven or towed will not be included in the weight maximum.

How much will be paid? Up to 50 percent of the following as a grant and up to the balance as a loan.

1. Personal transportation by the cheapest reasonable public transportation, or by private auto at 10 cents per mile (or 12 cents per mile if a trailer is being towed). Except if a member of the family who was outside of the home at the time of the move and follows at a later date; only the cost of transportation to the new or old home, whichever is less will be allowed.

2. The cost of moving family pets (but not livestock), tools (but not farm implements such as disks, harrows, and plows), and all ordinary household goods. All in all, not more than 2,500 pounds for a single person or 7,000 pounds for a family. The weight of vehicles driven or towed will not be included in the weight maximum. If a moving van company is used, two estimates must be secured. If a rental trailer is used, the rental may not exceed 20 cents per mile. Any method may be used so long as the cost does not exceed that of a moving van.

3. Storage costs for up to 30 days if needed. Estimates must be secured to insure the lowest reasonable cost.

4. A lump sum based on the average weekly industrial wage in the United States, which was for 1963, the year for the most up-to-date statistics available, is $99.38. For a single person, $100; for a family of two, $150; for a family of three, $200; for a family of four, $250; and for a family of five, $300. This is the maximum.

What is an eligible job offer? A firm written offer from the employer for a specific job including all pertinent details, such as job requirements, salary, and working conditions. The job must have a reasonable expectation of long-term duration. The work must not be intermittent, temporary, or seasonal, or below the rate prescribed by Federal law or the prevailing rate in the industry for the area (whichever is higher). Salaries below the prevailing rate will be acceptable for a learning situation if there is an understanding that the prevailing rate will be paid when the training ends.

Are the relocation payments taxable? No.

Does a previous relocation subsidized by a State or Federal program render a person ineligible? No, but with the understanding that no one moved will be paid for by more than one agency.

What are the loan terms? The loans are noninterest bearing. The loans are to be, repaid in monthly installments of not less than 3 percent of the workers' monthly salary. The loan must be repaid within 3 years.

Project Plan—Manpower Improvement Through Community Effort

I. AREAS TO BE SERVED

There will be three areas served by this project. These areas encompass six counties (Nash, Edgecombe, Richmond, Scotland, Robeson, Craven) in rural eastern North Carolina.

II. INDIVIDUALS TO BE SERVED

This project will serve families in areas which have been designated as having substantial numbers of people living in poverty. The project will concentrate on the following types of unemployed persons:

A. Heads of households;
B. Eighteen years of age and older;
C. Under $1,200-a-year farm families:
D. Out of work for more than 6 months.

III. PROGRAM [1]

A. Purpose

1. This program will experiment with—

(*a*) Uses of Manpower Development and Training Act programs for severely disadvantaged rural workers residing in areas of long economic decline, low levels

[1] The family approach to the manpower problems of individuals is considered essential to this project. Many of the underlying reasons for unemployment are traceable directly to family problems. The illness of a man's wife or child may keep him from steady employment. Poor farm management may keep the whole family working in an unproductive farm and prevent members of the family from entering the labor market and increasing the family income. This program will assess the manpower needs of the whole family which are handicapping the individual. Any service not available under this contract will be sought through referral to appropriate community agencies."

of education and family income, high rates of outmigration and severe cultural problems which restrict the effectiveness of the application of training and other manpower services.

(*b*) The relationship of Manpower Development and Training Act activities for this group of workers to the emerging community action programs in rural areas designed to combat poverty. These locally directed groups, presently being tested in North Carolina, will be responsible for coordinating and applying all available resources in their efforts to reduce and eliminate poverty.

2. This program will demonstrate that—

(*a*) In the course of operating a manpower program, all of the people in the rural target areas who are in need of available services can be aided to some degree. In the course of searching for those individuals who can be aided by other existing programs, this project will secure the cooperation of other agencies so that the project can refer those in need to these programs.

(*b*) On-the-job training is a realistic and desirable training device in rural areas. On-the-job training is the most efficient way of meeting the needs of the small employers who exist in these areas.

(*c*) A staffing pattern which is based on problem finders and problem solvers can meet the needs of those individuals most effectively. One part of the staff will be fieldworkers who will canvass these pockets of poverty in the areas and ascertain the barriers with which the unemployed individual and his family is confronted. Another person (a counselor) will then outline the program which the individual should follow.

IV. RELATIONSHIP TO EXISTING PROGRAMS

The North Carolina Fund (hereinafter called the fund) has existing community action organizations in the three project areas: (1) Craven County, (2) Nash-Edgecombe Counties, and (3) Richmond-Robeson-Scotland Counties. Each has a board of directors composed of community leaders and representatives of public and private agencies. They are chartered for the purpose of promoting the general welfare of the people in the area which they serve, with particular emphasis given to the problems of the economically depressed.

These organizations will not receive any financial assistance from this contract, but they will have a close working relationship with the three local programs sponsored under this contract. The community action programs (CAP), which are the operating programs under the community action organizations, have agreed to provide necessary supplementary services to selected individuals when such services are not provided in this contract. The CAP's are presently organizing the existing community resources. This will make many services available to residents of rural North Carolina for the first time.

In each of the community action programs, the executive director of the CAP will be responsible for the coordinating of the OMAT programs with the community action organization. He shall assume authority for coordinating this program with other programs being operated in the community and shall determine those policies which have direct effect upon the total CAP. As with all community action programs, the coordinative and policy decisions shall be in keeping with the intention and philosophy of the community action organization and the executive director shall have the direct responsibility for the determination and implementation of these.

V. ORGANIZATION PATTERN

Basically, this project will find the people with employment needs and barriers to selection for regular manpower programs, and determine their needs, determine what is necessary to satisfy these needs, and then put into effect new programs designed to meet these needs.

The six counties which the North Carolina Fund will serve are not contiguous. This will necessitate the establishment of four separate offices. A central office in Durham and one in each of the three project areas. The offices will be set up in the following counties with the specific staffing pattern and functions:

Durham.—This will be the headquarters office. The project director, project field supervisor, historian, accountant, and three stenographers will work out of this office.

This staff will be responsible for:

1. Overall administration of the program. This will include setting of policy for the three operating sites.

2. Keeping close contact with each area and assure that the intent of the project is being carried out.
3. Reporting to OMAT.
4. Maintaining the financial records for the entire project.
5. Coordinating this program with Federal, State, and local programs as well as with other programs sponsored by the North Carolina Fund.

Craven County.—The staff will consist of one program director, one specialized counselor, two supportive service interns, two family occupational planning counselors, six family occupational planning fieldworkers, two training supervisors, one employment development coordinator, one bookkeeper, one secretary, three stenographers, and one maintenance man.

This staff will be responsible for:
1. Serving 900 people in Craven County.
2. Referring 75 people to institutional training.
3. Developing 100 OJT slots and placing the trainees.
4. Providing all other services outlined in the project plan.

Nash-Edgecombe Counties.—The staff will consist of 1 program director, 2 specialized counselors, 1 suportive service intern, 4 family occupational planning counselors, 12 family occupational planning fieldworkers, 4 training supervisors, 2 employment development coordinators, 1 bookkeeper, 1 secretary, 6 stenographers, 1 maintenance man.

The staff will be responsible for:
1. Serving 1,600 people in the 2 counties.
2. Referring 125 people to institutional training.
3. Developing 200 OJT slots and placing the trainees.
4. Providing all other services outlined in the project plan.

Richmond-Robeson-Scotland Counties (tricounty).—The staff will consist of 1 program director, 2 specialized counselors, 2 supportive service interns, 6 family occupational planning counselors, 18 family occupational planning fieldworkers, 6 training supervisors, 3 employment development coordinators, 1 bookkeeper, 1 secretary, 9 stenographers, and 1 maintenance man.

The staff will be responsible for:
1. Serving 2,500 people in the 3 counties.
3. Referring 200 people to institutional training.
3. Developing 300 OJT slots and placing the trainees.
4. Providing all other services outlined in the project plan.

The staffing patterns in the three project areas must be flexible. It is understood that the North Carolina Fund may transfer staff members from one area to another as workloads may require.

VI. THE PLAN

A. Recruiting

The staff of problem-identifying family occupational planning fieldworkers (hereinafter called fieldworkers) will make a door-to-door survey beginning in those areas which have already been identified by the existing community organization as areas of heavy unemployment and underemployment, and high incidence of poverty and, then ultimately, move into all areas of the community. These fieldworkers will in each contact determine the employment economics of the family or household and ascertain the total resources of all contributing members of the family. They will make a preliminary estimate of all possible impediments to jobs and training and available resources, and refer the case to a counselor.

This phase will provide an assessment of the problems and prospects of each case and will be the first step toward using Manpower Development and Training Act and other programs which will be developed by the existing community organization to raise those in need above the level of poverty.

A caseload maximum of 60 people will be imposed on each fieldworker. When a worker has a backlog of 60 people who are not actually benefiting from any service, he shall stop his problem-seeking function and assist the counselors as a problem solver. He shall not resume the door-to-door service until the caseload has been reduced to 45 people. At some periods during the door-to-door survey it may become obvious to the fieldworker that there is a need for a neighborhood or sectional meeting in order for the program to be more fully explained, or in order that problems that are common to most of the people in the area may be faced or, where it is desirous, that group counseling or the bringing of consultants to discuss these problems be provided. It shall be the

responsibility of the fieldworker to assist and arrange the planning of such neighborhood meetings. They shall encourage the persons with whom they are working to participate in discussions of their involvement in the program herein provided, and then communicate this information to those persons responsible for the administration of the program.

B. Counseling

The identifiable problems will be referred to the counselors who will determine the manpower needs of the individual and his family and recommend the appropriate action to be taken. The fieldworker will return to the family with the information with which to counsel them and make the persons involved aware of the steps which must be taken in order to obtain assistance.

The fieldworker will counsel, individually and in groups, all of the people who cannot be immediately referred to an existing community service.

All individuals in need of manpower services will receive intensive counseling by a fieldworker, counselor, or if more intensive care is needed, the specialized counseling staff. In each of the areas there will be a professional counselor who will be available for those cases which cannot be handled by the fieldworker.

The specialized counseling staff will (1) assist in the development of planning programs; (2) assist the persons involved in on-the-job training; (3) provide support and assistance to the trainees and their families; and (4) provide effective casework assistance to all persons involved in this part of the project; and (5) in general, provide the support that is necessary in this type of transitional program.

C. Testing

The project will not employ a testing staff. When tests are necessary, they will refer people to other agencies.

D. Remedial education

There are existing remedial programs in all three project areas. They are administered by the community colleges section of the State board of education. Individuals referred by the North Carolina fund project to these agencies will be offered the necessary remedial instruction.

E. Training

1. *Institutional.*—The North Carolina State Employment Security Commission and the community colleges section of the State board of education have set aside slots for 400 individuals in regular institutional Manpower Development and Training Act programs. This part of the training program will be developed with the cooperation of, and in conjunction with, the employment security commission, the vocational education programs in the area, the industrial education centers, and local community colleges. The project will refer 75 persons in Craven, 125 in Nash-Edgecombe, and 200 in the tricounty area for institutional training. In this particular area there will be great emphasis upon the redirection of the local labor forces from agriculture toward service occupations. Here again, there will be a necessity for a close relationship in the overall program to insure that the trainees will have the supportive assistance deemed essential for successful training.

2. *On-the-job training.*—The training supervisors will seek out those opportunities for placement of persons in training based upon the screening and testing which has been carried out. These supervisors will follow the trainee through the period of his training and make final referrals to specialized counseling or other community resources which may become necessary.

A minimum of 600 adults will be referred to on-the-job training in local establishments under training programs developed by the contractor and approved by a representative of the Secretary of Labor. The contractor will administer this on-the-job training phase of the project in accordance with all the regulations, procedures and requirements pertaining to Manpower Development and Training Act-OJT projects, including those applicable to participating establishments providing the training. All on-the-job training under this contract shall be subject to prior written approval by the representative of the Secretary of Labor. Such representative will recommend changes or point out the problems in those on-the-job training programs he does not approve.

The following areas of responsibilities will apply between the contractor and the Secretary of Labor's representative in the approval of training plans and the signing of OJT subcontracts:

Responsibilities of contractor:

1. Inform employers of the potential of on-the-job training and the opportunities for working with contractor.
2. Contact employers to stimulate OJT subcontracting.
3. Negotiate for OJT subcontracts.
4. Design OJT training plans with the subcontractors.
5. Act as contracting officer to sign the OJT subcontract.
6. Submit training plans and subcontracts to the local BAT representative for approval.
7. Reimburse employer for training costs from the OJT reimbursement fund.
8. Supervise the training to insure that the employer is meeting his contractual responsibilities.
9. Retain contract with the trainee to provide counseling and other assistance required to help the trainee become employed.
10. Provide pre-on-the-job training instruction required to place the trainee into adequate training programs.

Responsibilities of the U.S. Department of Labor local representative:

1. Review training programs submitted on OJT–3, OJT–3A, or special forms, to insure that the training plans meet the requirements of the Bureau of Apprenticeship and Training.
2. Sign OJT subcontracts as approving authority.
3. Provide general OJT supervision to insure that the OJT is supervised and carried out in accordance with the requirements of BAT.
4. Reconcile disputes between the contractor and the subcontractor in the operation of OJT.

The on-the-job training fund provided herein shall be used for reimbursable costs for approved on-the-job training subcontracts computed on the basis of the following:

(1) That 600 adults will be given approved OJT training.

(2) That each adult may receive up to 30 weeks of on-the-job occupational skill training.

(3) That the training facility (employer) may be paid reimbursable and allowable costs in an amount not to exceed $25 per week per trainee for a maximum of 30 weeks per trainee.

(4) That the trainee average cost shall not exceed $500 for the entire project.

All on-the-job training subcontracts must terminate, with all work completed, no later than the completion date of this contract.

F. Placement

In each of the project areas an employment opportunity and development program will be established. The staff of this program will have the responsibility to seek out job opportunities in the geographic area in which the project will be carried out. It will not rest upon the information that is provided by employers alone, but rather will seek to determine those occupational opportunities that available but previously were unknown, unlisted, or undeterminable. This will be a field operation with the staff personnel working closely with all of the business organizations, industries, and other prospective employer groups of the community.

This project will be coordinated with any other programs in the area to avoid any duplication of services and to maximize the effort in the target area.

A primary function of this part of the project will be the development of a biracial advisory committee to provide a direct bridge between the total employer community and the prospective employees, trainees, and on-the-job trainers.

The employment development section will develop new jobs which are not presently listed with local offices of the Employment Service. The staff will insure that those people enrolled in institutional training programs are placed in jobs upon completion of training. The employment opportunity section will also develop jobs for those people who can be placed in jobs without training.

A portion of the job development effort will be conducted in the Piedmont area. This will be out of the target area, but it is an area of the State which is expanding industrially. Those who are willing to leave eastern North Carolina will be referred to jobs in the Piedmont. This effort will be aimed at those people already possessing skills or those completing institutional training.

G. Advisory committee

The advisory committee will be composed of members of management, labor, public agencies, and private individuals in each of the three areas. They will provide guidance and assist in the occupational planning, on-the-job training, and institutional training programs.

H. Inservice training

Since the family occupational planning fieldworkers will be drawn from among persons without formal professional training in this field of employment counseling (and this job description has been established as a subprofessional career opportunity) a period of inservice training will be offered. It is intended that a 5-day training conference be held for all those persons employed as fieldworkers to be given guidance and training which is appropriate to this program.

This conference will be followed by employment under the direction and guidance of the professional counselors and by 2-day retraining conferences at the end of each 4-month period.

I. Outreach

Although the provisions of this contract provide for only 1,000 training opportunities per year (400 institutional and 600 on-the-job training), it is anticipated that many more persons will be served by this project. A minimum of 5,000 persons will be serviced by this program and this will be done through direct job placement, referral of persons to outside agencies, vocational guidance, which will result in their ultimate employment or increase in employment, and the assistance of persons in resuming or beginning educational programs. It is expected that many problems and needs, such as health, personality, work adjustment, educational deficiency, emotional disability, financial difficulties, agricultural handicaps, housing hardships, environmental and cultural disadvantages, and family and home problems will be met by referral directly to the appropriate resource agencies such as the Department of Public Welfare, Public Health Services, schools and board of education, Mental Health Association, Small Business Administration, Farmers Home Administration, Agricultural Extention Service, Housing Authority, Recreation Commission, private social agencies, church, Homemaker Service and the Home Extension Service.

It is intended that the outreach of the project will touch some 20,000 persons who can be given nominal, but real, assistance in upgrading or improving their employment position through programs or services which will be available beyond the actual training opportunities.

VII. REPORTS

The contractor will submit monthly reports in a form to be prescribed by Office of Manpower, Automation, and Training. They will also submit the following special monographs as the information becomes available or upon request by Office of Manpower, Automation, and Training.

1. Staffing of a rural manpower program—How was staff recruited? How many are from out of the State? What are the best sources for the various job descriptions?

2. Subprofessional fieldworkers—What kind of people were hired, previous work, motivation, etc.? What were the components of the in-service training?

3. Recruiting—What is the effect of the fieldworkers' initial efforts? What is the community reaction? Are people seeking out services or are they waiting for the fieldworkers to come to them? What is the reaction of individuals to the fieldworkers? Give examples of initial interviews.

4. Problems—What are the most serious deterrents to employment encountered by the fieldworkers? What generalizations can be made about the causes of these problems?

5. Aspirations of trainees—What effect does the program have on the aspirations of those selected for training, their families? How much effect is there on the children of people served by the program?

6. On-the-job training in rural areas—What are the possibilities for expansion? Employer reactions? What are the opportunities for supplemental instruction?

7. Solutions to problems—What solutions have been developed in response to the identified needs?

8. Relationship to other programs—including community action programs—

What contributions have been made by other Federal, State, and local programs? What is the relationship of this program to other programs?

9. Placement—How has placement in on-the-job training and institutional training differed? What are the deterrents to placement? How can the effort be improved?

10. Followup—How effective has the followup on trainees been? Is it keeping people in training, on the job? What problems have been encountered during training or after placement?

11. Holding power—What is the holding power of the total program? How long do people seek services? Compare those in on-the-job training and institutional training.

12. Final report—To incorporate all of the above subjects, plus general suggestions about the operation of a rural manpower program.

Mr. O'HARA. Will you proceed, Mr. Esser, with your comments.

STATEMENT OF GEORGE ESSER, DIRECTOR, NORTH CAROLINA FUND, DURHAM, N.C.

Mr. ESSER. Mr. Congressman and members of the committee, our programs under the Manpower Development and Training Act are now geared for action and we are just about to have measurable experiences.

The North Carolina Fund is a nonprofit organization established under the leadership of Governor Sanford and a group of citizens in North Carolina. It is supported by foundation grants and got started on community action programs dealing with poverty before the passage of the Economic Opportunity Act. We now have 11 projects involving 20 counties in which the communities are organized and have small staffs. They are in varying degrees of program development.

In eastern North Carolina we are dealing with a problem quite different from that with which Mr. Cole is dealing. The impact of automation on agriculture has displaced literally thousands of tenant farm families and in some of our counties, up to 50 or 60 percent of the families who were earning a living in agriculture as recently as 10 years ago, however marginal, are no longer needed on the land or are working only a few weeks a year.

These families tend to be large families. The educational level of these people tends to be quite low. The rate of illiteracy in the agricultural areas of eastern North Carolina is very high.

In North Carolina in 1960 we had over 400,000 adults with less than a fifth grade education and over 900,000 with less than an eighth grade education. It has not been possible to train these people quickly enough.

We have had a very good program of economic development, but we have not been able to develop jobs rapidly enough to accommodate and provide opportunity for all of these people.

The rate of migration from eastern North Carolina has been quite high, although it is slowing down because families are finding that even though there are opportunities in the cities of the north, they do not possess the education and the skills required to compete in these markets.

We have a situation where we not only have many families who are unemployed, but we have a very high percentage of underemployment in terms of the number of weeks employed per year or the character of the job as matched against the skill or needs of the family.

We are very fortunate to have contracted with the Department of Labor for three demonstration projects in six counties of eastern North Carolina where the problem of employment is very serious.

These projects will experiment with possible solutions for the whole manpower problem, in identifying people who are unemployed or underemployed, identifying their skills and problems, and identifying their training requirements. Where training is possible, we are arranging for training. Great emphasis will be placed on on-the-job training and on the development of new service job opportunities both part time and full time.

I might point out that there has been much less development of personal and business services in eastern North Carolina than in the more prosperous Piedmont, or through the Nation at large.

In these communities we are undertaking to identify those people who are unemployed or underemployed. We will look at the total family, and not at the head of the household alone, to determine those problems which bear upon their employability, health, education, and welfare. We will mobilize through the community action organizations the resources of the community in meeting the needs of these people. The community action projects are moving rapidly on this. They are completing their staffing and the programs will begin within a few days.

Training is a primary objective and it will be planned in cooperation with the Department of Community Colleges, which operates programs in vocational education and basic adult education in North Carolina. The program will offer remedial education as well as institutional training.

There will be 400 institutional training opportunities and 600 on-the-job training opportunities in the six counties during the first year.

There is a job development program built into the project. We intend to work with businesses through the Small Business Administration and with State agencies concerned with economic development in making available additional job opportunities in the six counties.

An additional resource which we have available in this project is a small grant for a demonstration mobility project. We hope to identify people in eastern North Carolina who cannot find employment consistent with their abilities in eastern North Carolina, and who either plan to migrate or are willing to migrate.

We hope to determine whether there are job opportunities in more prosperous parts of North Carolina where these unemployed and underemployed people can be relocated with a resulting better use of the manpower resources of the State and without a rise in outmigration.

We have some hunches with respect to the proposed amendments. First of all, however, I think that our experience warrants an endorsement of the entire manpower program. It certainly should continue and be made permanent. One of the problems which the State has faced is its inability to plan ahead in terms of the utilization of the manpower program because of its uncertain future.

I certainly endorse the amendment making this permanent.

I also endorse the proposal to make grants for the total manpower program because I think that it is essential for the community to look upon the manpower process as a total program. The problem of putting together several pieces is extremely difficult for community

leaders to understand, and we have some of the best leaders in the State concerned in this. This is one of the most frustrating things for them to understand and deal with.

With respect to Federal financing, I urge at least a 90 percent Federal contribution. With the current emphasis on simply raising the level of public education, and with the expansion of industrial education centers into community colleges, it is going to be extremely difficult to acquire the amount of manpower training funds from State sources which are presently required under the act.

In terms of training allowances, the proposed 104 weeks, I think, is almost essential when we consider the proportion of our people who are almost completely illiterate. We have an excellent basic adult education program already underway and we forecast that by June 1 we will have 20,000 men and women in basic education classes, but it takes time to educate them.

In terms of the number of allowances per family, we endorse additional allowances. We have a high proportion of families with five, seven, or eight children. With the training allowances in our State presently running around $24, both the additional training allowances that would be authorized under the act and additional allowances for dependents are almost essential in order to simply preserve a marginal existence.

Mr. GIBBONS. Let me ask a question there. This is something I am worried about and one of the complaints I have been getting from business people in my area. They have been talking to me about this for years. When you get the level of these allowances so high that you actually get a group in your society which says, "I will just take the allowances and to heck with the work." I know it is a Solomon-like problem. Have you had any experience with that?

For instance, right now we have a large fruit group in Florida and I know you have had the same problem. In Florida the fruit is just rotting on the trees and on the ground because we can't get anybody to harvest it and the wages are not exorbitantly low, they make at least $1.25 an hour. Is there any solution to this problem?

Mr. ESSER. I would say this, that we have had a few areas in the State where the farmers have reported that they are unable to find labor, but I think it is significant that in these areas there is enthusiasm for training programs. These are the most prosperous areas of agricultural development. The more mechanized they become, the more people are displaced and there is a surplus of people.

We have several areas in which migrants are utilized during a short harvest period. But the distribution of the people we are talking about here, both out in the rural areas and in the small towns, makes it very difficult to bring them together in large numbers for utilization in harvesting during short periods of time. It has been my impression that North Carolina harvesters are recruited from migrant laborers who work from Florida to New Jersey.

All do not go into the migrant process, but it is becoming increasingly difficult for the large farmer to provide sufficient day labor opportunities to make day labor on a farm a consistent source of income for a tenant or a former tenant farm family.

The manpower representative at the employment security commission, with whom I checked last week, reports that $25 or $35 a

week is insufficient to attract many of the people who need to be brought into training because of the size of their families. They have lost many people who ought to be trained and who will have more to contribute to society when they have received training since they can become much more productive, due to such persons' inability to provide for their families on the allowance.

I would say that this is not an open and shut question. Experience varies from county to county and varies according to the agricultural crop, to population, and to the degree of automation in the area.

Mr. GIBBONS. Thank you.

Mr. ESSER. I would say that provisions to cover transportation expenses in a rural area training program are almost essential when you are dealing with a county in which you are trying to train 100, 200, or 300 people. You can carry basic adult education to the community, and we are doing it. We are teaching literacy classes and remedial education wherever people can be found, even in classes with as few as five persons. We are sending the teachers to rural areas to teach in churches, community centers, private homes, and anywhere that is necessary.

For vocational training, students may have to travel 5, 10, 30, or even 50 miles in the mountains.

Finally, we believe that job development is essential to manpower programs. We think it is also necessary in terms of developing part-time job opportunities. If a family earning an inadequate income from agriculture today could supplement the income of one or more of its members through a part-time service activity such as a repair operation, then we might be able to demonstrate that there can be sufficient supplementation of family income to raise the standard of living for these families where they are presently located, without having to depend either on intensive industrial development or migration.

We think that there should be job development so that there will be employment for those we train.

We have hunches about a more successful operation of the manpower and training program with the proposed amendments from our experience with the program thus far, from the experience of the State employment security commission, and from the experience of our department of community colleges. There are similar beliefs held by the leadership in the communities.

We hope to demonstrate how the very real problems of deprived families in rural areas can be successfully handled.

Thank you, Mr. Chairman.

Mr. O'HARA. Thank you, Mr. Esser.

Mr. Sullivan, would you please summarize your views on the subject before us?

Reverend SULLIVAN. Thank you, Mr. Chairman, I will be glad to.

Mr. O'HARA. Your prepared statement will be printed in the record at this point and you may proceed as you wish.

(The document referred to follows:)

TESTIMONY OF REV. LEON H. SULLIVAN, OPPORTUNITIES INDUSTRIALIZATION CENTER, PHILADELPHIA, PA.

It has become increasingly imeprative that some significant broad-based program of training, retraining, research, and production be developed within the

communities of the urban areas of America that an ever-growing number of our citizens who are ill prepared might become more aware of their productive abilities and more directly involved in the economic mainstream of the city and the Nation.

The urgent need for massive training and retraining is broader than any racial or ethnic group. It is generally realized that a major part of this national emphasis must of necessity be directed toward the Negro minority who because of manifold previous conditions of circumstance, have often been left ill prepared to take his place in the world of industry and commerce.

There is no question but that Negroes, along with all other citizens in our urban communities, possess the aptitudes and capacity to meet the necessary requirements for becoming more productive in the field of industry and vocations. The main problem, however, in Philadelphia, as elsewhere, has been that no real and sustained attempt has been made on a broad communitywide basis to marshal the resources of these capabilities, and to help Negroes gain the assurances, confidences, and skills necessary for them to assume a full role in the industrial output of the city and the Nation.

In order, therefore, to meet this need, on March 2, 1964, there was established in the city of Philadelphia an opportunities industrialization center, open to persons of all races, colors, creeds, and sexes for the purpose of motivating, developing, training and utilizing the technical skills of people for industry and for productive employment. It was our aim to begin to prepare and produce workmen for the great industrial market on an intensified and vast scale. We believed that through this center, assistance would be forthcoming from industry and that manufacturers would be able to find a new and vital ready resource of workmen qualitatively trained for industrial production. We, also, believed that through this effort the opportunities program would ease the problem of unemployment and unemployables in our city. The project experienced immediate acceptance from the total community and spectacular success.

The center was opened in an old police building which for several years had been standing idle in the heart of the most depressed section of north Philadelphia. The building was given over to the opportunities center group by the City Council of Philadelphia for a dollar a year with the understanding that the organization would put the building in order. A $50,000 contribution from an anonymous donor made it possible for the building to be completely rehabilitated; and interested local industries, such as the General Electric Co., the Philco Co., the Budd Co., the Bell Telephone Co., the International Business Machines Co., and others joined in supplying the equipment necessary to get the program underway and also contributed consultive advice to the leaders of the opportunities training program in order that the curriculum would measure up to the standards of industry.

By faith and only meager financial resources the training program was begun Small sums of money were gathered from church groups, fraternal groups, organizations and even groups of children in elementary schools. Three hundred volunteers were amassed with training in the various areas of technical preparation to stand ready to assist the training effort wherever needed with free time. Words of encouragement and support were immediately forthcoming from the office of the mayor, city governmental departments, the office of the Governor, unions, and businessmen. Most importantly the indigenous community itself recognized this program as their very own, and felt themselves identified with the massive training and retraining effort which had as its slogan, "We help ourselves."

Thus, the opportunities industrialization center was developed as a program of the people, by the people, and for the people with supportive assistance from Government, industry, and later philanthropy. According to the founders of the program it was to be an imperative that the direction of the program must reside in the hands of the people of the indigenous community itself and that all assistance must be given only on a supportive basis in order that the community might always know that the responsibility of success or failure rests primarily upon the genius and the ability of the community.

The psychological as well as the practical value of the project was immense for the entire city in that colored people began to conceive of themselves in a new role as technicians and even as potential producers. It engendered the colored community with new confidence, new hope and new dignity. Notably, also, the work of the center began to alter attitudes in the white community. For decades, the Caucasians had thought of colored people in inferior terms

and as stereotypes "who didn't care." But now, for the first time, they were compelled to take cognizance of the new and uniquely significant efforts of the Negro. Only this time from an entirely different point of view. The program, also, tended to fuse together, in an unbelievable way, the white community and the colored community around an essential program of common interest and mutual need.

The opportunities industrialization center, conceived by people of color, but is serving all peoples, a vocational program designed to help those who want to help themselves. It is designed to help a citizenry who today would still be economically and emotionally despaired had not the opportunities industrialization center begun.

The opportunities industrialization center was developed as a nonprofit agency, and secured its income tax deductible status from the Bureau of Internal Revenue Service. The managing board was made up of leaders and persons who themselves work or reside in the depressed communities with a large proportion of clergymen representative of all of the denominational groups of the city.

The seven basic aims and intents of the program were:

1. To train or retrain thousands of men and women with untapped talents and unknown skills, who are unemployed and underemployed.
2. To involve the total community in the awareness of the value of preparation, thereby stimulating and inspiring individuals to seek high levels of productivity, and creativity, and achievement.
3. To develop among our trainees and associates a sense of increased economic security.
4. To foster and nurture a sense of self-pride which will give the trainee confidence in himself and enable him to participate with dignity in the total society.
5. To stimulate loyalty and pride in the community—a sense of brotherhood involving all religious, racial, cultural, economic, political, and other groups.
6. Adapt the training program to meet the challenge of changing technological advances and current needs.
7. To develop an awareness of man's relationships and responsibilities to his fellow man, along with the ability to act in a constructive manner in the community, and the world. Hence, opportunities industrialization center will seek to develop the "whole man."

The first courses at the center included electronics, power machine operation, restaurant practices, drafting, sheet metal, chemistry laboratory technology, and machine shop. Later the Western Union Co. placed in the training center the first teletype communication school of its kind ever developed.

Within a month's time after the formal opening of the center, the training program was operating at capacity with some 300 persons enrolled. Ninety days after the center's opening, there were 6,000 people of all races, colors, and creeds on a waiting list.

This overwhelming list of 6,000 applicants suggested the development of a special "feeder program" to be housed in a separate facility for the purpose of beginning training in elementary language and computational skills. The feeder program academically prepares its students for the more intensive vocational training to which they subsequently are referred. In addition to reading, writing and arithmetic, trainees at the feeder program are given training in consumer education, interpersonal relations, grooming, and in how to walk, talk, dress, and hold their heads up. It is the objective of the feeder effort to also teach "confidence."

As a result of conferences arranged by Mr. William Batt, Director of the Area Redevelopment Administration, leaders of the opportunities center program were given the opportunity to present this new concept, this new type of program of massive adult education and job preparation, to Government officials in Washington. As a result of these conferences, the Labor Department became vitally interested in the effort, and $450,000 was finally approved by the Office of Manpower and Automated Training for the development of the feeder concept for a 15-month period. Of this amount, $333,000 was granted for the actual costs involved in developing the feeder effort, and an additional $125,000 was granted for the development of an on-the-job training program in connection with the feeder program. As a result of the interest of Mr. William Batt, also, the Area Redevelopment Administration allocated a $50,000 grant to assist the main opportunities center in its training and placement work.

To date, February 19, 1965, 1,300 people are enrolled in the feeder program alone and there are thousands yet waiting to get in. Upon completion of the feeder experience, persons will be fed into vacancies as they occur at the main

opportunities industrialization center, and other branch centers that we hope to open by the fall of 1965, to be located in west Philadelphia, Germantown, and south Philadelphia, as well as into other manpower training programs sponsored by the Government, adult education programs sponsored by the local board of education, and into actual on-the-job situations where only some latent, elemental, and basic skills are required of the individual.

The opening of our branches is decisive for the ultimate overall success of the program and the establishment of these branches will permit a most valuable geographic decentralization of OIC's vocational training operations.

Altogether it is our expectation that by the end of 1965, the feeder program, our main and branch centers will have more than 4,000 people involved in vocational training efforts.

The cooperation of the chamber of commerce and leading industries of the city constitutes a main element in the success of OIC's program. Thanks to the enlightened cooperation of chamber executives in the city of Philadelphia, the support of the city's top industrialists and executives has been organized behind the program, thus affording financial support, equipment contributions, job availabilities, and a general state of acceptance of the work where this acceptance, without question, is essential for success.

Philanthropic help has come mainly from the Philadelphia Council for Community Advancement which contributed $200,000 to the center in the year 1964, and which has given the program invaluable consultative help. Other foundation support has come from local sources including an anonymous foundation which was the first philanthropic group to express confidence in the OIC dream and which gave the first $50,000 to the effort. The Philadelphia Foundation, the Smith, Kline & French Foundation, and other smaller foundations, too, have contributed much needed gifts during the OIC operation. The interest and support of the community itself is recognizable in that more than $50,000 in small contributions has been contributed by the people in the neighborhoods where poverty is prevalent.

A final phase of the OIC program calls for the development of a community action leadership program in which Opportunities Industrialization Center study groups will be set up in 1,000 neighborhoods throughout the city in depressed areas within the next 3 years. These groups will meet in homes. Instructional materials will be developed and distributed on a monthly basis from a central pool. Floating instructors will augment volunteer community workers in the development of these study groups and the entire program will be administered from a central facility. The main purpose of the OIC study groups will be to give broad and intensive academic incentive to the total community and to relate the concepts of the feeder program back into the indigenous communities where the masses of people reside. It is the intent of this community phase of the program to reach a minimum of 25,000 people monthly in the OIC study groups by the end of 1967.

The OIC program is adaptable with creative variations to poverty smittened or substandard areas anywhere in America. Already more than 100 communities have requested information regarding the OIC program and have indicated a desire to have visiting teams come to observe the work. During the months of January and February (1965), community teams have been entertained by the OIC in Philadelphia in a 2-day orientation program. These teams have represented ministers, schoolteachers, social workers, housewives, civic leaders, chamber of commerce members, and even mayors.

According to Mayor Irwin Smith, of Portsmouth, Va., who was present the last week of January 1965, at the conclusion of the orientation period, "This program is the finest I have seen anywhere in the country."

There can be no intent by the OIC nor any program developed under its guidelines to develop a fourth estate in the area of education to compete with existing boards of education in local communities. At most, these programs can be designed to only serve an immediate and pressing need to assist those individuals who are not being served by other systems of education and who require the kind of motivation and broad comprehensive assistance that these kinds of indigenously conceived, inspired, and operated programs alone can give. It is to be hoped that ultimately, programs such as the Opportunities Industrialization Center will merge into the overall patterns of established educational processes so long as the character of indigenous leadership for these kinds of training efforts is maintained.

There is no question but that this kind of massive training effort must be developed as an imperative to the development of the skills and attitudes of countless millions of Americans who without this kind of service will not be helped. No programs of this description or ambition can be successful without Government funds. Philanthropic grants and contributions will be helpful to indigenous community groups in getting programs underway, and volunteers in massive numbers are always quite helpful, but the major financial brunt for the development of qualitative efforts to insure the job being done has to be assumed from public funds. The payoff for these contributions, however, is in a better prepared citizenry and in a technically and mentally stronger America.

STATEMENT OF REV. LEON H. SULLIVAN, OPPORTUNITIES INDUSTRIALIZATION CENTER, PHILADELPHIA, PA.

Reverend SULLIVAN. Mr. Chairman and members of the committee, about these two items pertaining to the Opportunities Industrialization Center. It is, as far as we know, the first massive training and retraining program of its kind ever attempted in the Nation and in a community itself.

The first premise is that it became increasingly imperative that some significant broad-based program of training, retraining, research, and production be developed within the communities of the urban areas of America in order that an ever-growing number of our citizens, who are ill-prepared, might become more aware of their productive abilities and more directly involved in the economic mainstream of the city and Nation.

This program, called opportunities industrialization, had its beginning a number of years ago. We had a tremendous concern in the community for doing something to counter the high percentage of unemployment.

We found that although many people were even finishing high school, they were still ill prepared for job opportunities that might be opened to them.

We opened a leadership community program which received the Freedom Foundation Award for its efficiency. A number of years ago, in 1956, this organization was able to place 1,000 people a year on jobs. There were 4,000 people who were not placed because they were ill prepared or unemployable. Out of this organization grew the concept of the Opportunities Industrialization Center. It was conceived by the leadership of community itself, devised by them and launched by the people of the community itself.

An old police building was secured for $1 a year to be used as a facility. And the opening of the center in subzero weather a year ago attracted some 8,000 people to see a training demonstration center.

Usually you find that kind of response in some other types of effort. This organization immediately made an impact on the city, and those who saw it demonstrated for the first time were amazed. There was a tremendous outpouring of people, thousands of them blocked traffic to hear of the opening of the Opportunities Industrialization Center.

The project experienced immediate acceptance from the total community and became a spectacular success.

The philosophy of the program is basically self-help. There were no basic ongoing training programs of any significance in the city to which our people were responding, and we could not wait. We decided to set up our own training program ourselves.

We were then faced with a shortage of funds, but we secured a quarter of a million dollars in contributions within 2 month's time. We amassed 300 volunteers, skilled persons from industry, as well as persons in the community willing to volunteer their time in any way possible.

We received contributions even from little schoolchildren, some contributions as small as $3.16 from an elementary class of 6-year-olds. We received sums from persons giving much larger amounts.

It brought great enthusiasm to Philadelphia. We began to develop and pull together staff on a faith basis because our program is a program of faith. The whole program of OIC is a concept of faith and the basic premise is "We will help." Therefore, because it was a faith operation, because it was built on faith, we employed a staff without any money except the faith that somehow the money would be forthcoming.

My church is a substantial church and gave me support with its contributions. An anonymous foundation gave me $50,000 when I didn't have money to get this started. We got started with the program, not knowing where the salaries were coming from.

We employed 20 people, not knowing where their pay would come from, but by the time payday came around we had $200,000 from the Philadelphia Council on Community Advancement.

Within a month we had 300 people enrolled to take training in the facility, and in 90 days we had 6,000 people on the waiting list.

Though this organization was begun by a minority group, the waiting group was composed of all sexes, white and colored, and composed of all creeds. They had come from varying distances because they believed that this was an organization which could help them.

We engaged the support of industry. They gave us equipment to develop the center and also consultants from their own people to establish curriculums although we do not train for diplomas. We have become a certified institution but we do not train for diplomas, we train for jobs.

They developed curriculum to fit our people for actual employment in industry, but also they provided openings for our people once they completed the required courses.

Industry is involved and accepts responsibility for trainees coming out of our organization. Significantly, after the year's operation—today is the year's anniversary of the Opportunities Industrialization Center—we have placed 80 percent of our trainees.

Many have been "dropups," that is people who have gone into the center and before finishing their trade skills prior to finishing the particular course, have been accepted for employment. Therefore, we call them dropups rather than dropouts.

This has been a voluntary program and our student dropouts have been less than 19 percent. Few of our people have more than high school education, and a few have gone a little beyond. Quite a number of our people were on relief before coming to us.

As a result, of 6,000 people on a waiting list, we developed a "feeder program" and required another facility to train people in elementary language and occupation and skills. We wanted to maintain enthusiasm of as many of that 6,000 people as we could so they wouldn't lose

hope altogether and, second, we found the feeder program academically prepares its students for the more intensive vocational training in our other facilities.

This feeder program consisted of basic reading, writing, and scientific mathematics which is no more than addition, subtraction, and some multiplication. We taught these people how to sit, how to walk, how to talk, how to dress, how to stand up, and hold their heads up. We taught them how to clear their minds.

Most of our people have been brainwashed into believing they are inferior. We are trying to unwash their brain. We are teaching confidence.

We began this program on an experimental basis with no money. We rented facilities with no money. We began on a calculated risk, believing that somehow somebody in Government would see the value of our program. We operated for 2 months and the risk worked.

We contacted Mr. William Batt, Jr., of the Area Redevelopment Administration, who has assisted us tremendously by giving directions that we might take of which we were not aware. Our calculated risk came to the point where we received $333,000 for the development of our feeder program. This was for the actual cost involved in developing this feeder efforts. We received an additional $125,000 for the development of an on-the-job training program in connection with the feeder program.

This meant that we were then ready to go. We delayed for 1 month in order to ascertain what our efforts would be, we correlated our experience, and last month opened the feeder program, hoping to get 500 persons. On the first day 1,200 people showed up.

We have utilized closed-circuit TV, we have utilized a variety of tried and untried teaching methods. Consumer education is being taught. The value of a dollar is being taught. We take a loaf of bread and teach them how it is marked. We teach how to tell fresh bread from old bread.

We teach them how milk is marked. We teach them to know whether in the grocery store the scales are marked properly. We are teaching them the value of the dollar. We are teaching them how to groom themselves, how to talk, how to hold their heads up.

We organized the feeder experience in 3-month periods, for feeding people into our own training center or other manpower training programs, or perhaps into adult education programs, and into on-the-job situations, because many people, in order to get jobs, don't need specific skills. They can use what they have, and need only to adjust themselves to use what they have.

We had 100 people in the first 2-month experiment that were placed on jobs because they developed the right kind of attitudes. Ultimately we anticipate feeding thousands of feeder trainees into other training branches which we want to develop in Philadelphia.

The feeder program is an experiment that has proved successful and we suggest its involvement and use in the overall manpower development of this country.

There are people who have said that our people are not interested in helping themselves and our feeder system is countering this attitude, and proving that it is in error. Proper motivation in the community itself does inspire these people in the proper direction. It is a kind

of movement that can move people out of the areas of economic dependence.

Basically, the problem of total involvement of a total community is inherent in this program. It is a great partnership beginning with the people in the community and supported by the assistance of industry, Government, and philanthropies. Our philanthropic aid came from small organizations and reached the extent of $200,000.

It is anticipated in December of this year we will have a minimum of 4,000 people in our training system, feeder program and training programs. We will have a minimum of 4,000 people, now we have 1,600 or 1,700 in a program that began a year ago with only a prayer and a screwdriver. We have had inquiries from 90 communities across the country. We have had people coming from all over the country for 2 days of orientation. In the last few months we had five teams from various parts of the country to observe the program and many of them will go back and begin opportunity programs on faith.

Most of them will work but some won't. Last week the mayor of Portsmouth, Va., came on a team and said it was the most amazing thing he had ever seen. It was probably the first experience he had had or the first time he had ever seen communities working together to improve their situation. He said this was an education in itself, that had fused a community together.

I would suggest these kind of programs be started all over America. It brings the kind of fusion between conflicting groups in America that have heretofore been pulling against each other.

It gives them the opportunity of coming together about a mutually beneficial cause. This program has brought the people of Philadelphia together. The conservative business community believes it has an investment in the community problems. This program has fused together the white community and the colored community around an essential program of common interest.

It has proved to the majority of the community that they can work together on a single program with the minority community which is of benefit to both. It has solidified the city of Philadelphia in 1 year and we are becoming a community linked together. It will work. It is being proved. And this enthusiasm can be transferred into other areas of productive mutual assistance programs and training.

Mr. GIBBONS. I would like to interrupt there. I have seen practically the same type of program, not as large, but on a smaller scale, in my community on a biracial basis, and what you say is true, the conservative business community and the minority group will work together when they really identify the fact that they have a common goal.

Reverend SULLIVAN. In this book done by the General Electric Co., you will find some very interesting information from the president of the company with respect to their interest and their efforts in working with a colored community.

General Electric has given us a list for utilization of $5 million worth of equipment to be used where we want it. Also, they have opened doors of opportunity in their companies to people on a basis they never before prescribed.

The community has different sets of attitudes in the conservative white community to the potential in the minority community. In the

past you have had two groups of people that didn't know what was going on. The middle class did not know what was going on in the basement. Then we found we had mutual ends together and there was a means of building around the single concept of jobs and money so people could take care of their families and walk in dignity.

This kind of program might well be the means of fusing the diverse elements of communities together all over the country.

Mr. GIBBONS. I think your feeder concept is one that could be applauded. I think a lot of the problem is the attitude toward the job, a lot of it is skill, basic skills, but a lot of it is attitude toward the job in any community.

I know that is true in my community.

Reverend SULLIVAN. There is no question about it. I think this is significant proof there is a great need for partnership. We would not have had this program without partnership.

We have had the assistance of the Department of Labor. They gave us funds and consultants to work with us. The Government wants something done by the community for the benefit of the community. They don't want to run it, if it goes, they want it to run through the community.

A brilliant young man, Harold Wolfe has been a tremendous help to us. He worked in the Office of Manpower and Automatic Training (OMAT), Department of Labor. A man by the name of Bernstein in the poverty office has been a great help, and Area Redevelopment Act made it possible for us to transmit what we are doing to other governmental departments.

I could go on but I would now like to speak to the amendments. Incidentally, we might say by the end of 1965 we expect to have many thousands of people enrolled in our training whether we receive money or not. If we do not have money, our training needs will have to be met by using volunteers in our centers. We will man them with volunteers but the training will not be as qualitative as it might be otherwise. I am sure you can understand that.

Making the Manpower Development and Training Act program permanent, there is no question about it.

The need for money is paramount.

The statement was made that the foundations, such as Ford Foundation or Rockefeller Foundation, will give you seed money for 4 or 5 years at most. Then they have to give to other programs. We got seed money in this program, but at this very moment we need funds. At this point I need $50,000 or $60,000. I will get it.

I am anticipating what is going to happen 2 years from now. These are the kinds of programs that need continuing support to do continuing training for matching jobs.

Foundations can only give seed money. We can't depend on the communities to support these programs altogether. In Philadelphia in the community we don't operate the program unless the people do give money. If they did not give money, we would close it down.

In the depressed area of Philadelphia we raised $50,000 from the people themselves. That was extraordinary. I must say, though, this is nothing for a program requiring $2 million. It requires public funds and requires manpower funds as we see it.

A permanent basic I say is imperative. Secondly, allowing the Secretary of Labor to make grants for the conduct of research, experi-

mental, and developmental projects, as well as to enter into contracts for such projects—absolutely. I can see how this kind of support must be given to indigenous groups on an experimental basis in various regions.

It has already proven successful. I would like to see it done in other regions, four or five programs, on an experimental basis.

Providing Federal financing for the cost of training programs after June 30, no question about it. We have been able to amass perhaps $400,000 worth of equipment and facilities and in cash gifts given us for this year. But we will continue to need funds and we can't continue to depend on these kinds of funds.

The feeder program has funds but not the main center. I cannot anticipate carrying our program on for 5 or 6 years without substantial funding.

Increasing the period for which a trainee can receive training allowances to 104 weeks—absolutely. In our machine shop we have programs going 10 months, 20 months, or 2 years, for persons to be trained for higher level jobs.

You have some people who don't need assistance and yet many people who would like to go to the end of the training period, whether it is 15, 20, or 48 weeks. We think continuing or increasing the period of training allowances is absolutely necessary.

We like the idea of allowing more than one person in a family to receive a training allowance providing the head of the family is not employed.

We also like payment of transportation costs. We have had about 18 percent drop out, about one-half or three-quarters of this number have been people wanting to stay in the program but they don't have funds for transportation so they have to get out.

Our people are not securing manpower money, they are coming just by motivation. We need manpower money for these programs. The motivation we give can last only about a year, not much longer.

The idea of allowances is very important to us because we believe the people if motivated properly will get off the allowances quicker.

I am saying the programs must not be just training programs. The people must be trained as a part of the total program with respect to individual and community self-development and manpower assistance is only a step toward something that a person is stretching for.

We have to teach confidence, self-help, and the idea of a person going beyond just a dollar. This can be done if the community is absorbed with this kind of philosophy.

We certainly would approve the amendment to direct the Secretary of Labor to give special emphasis to a program of "job development," primarily of jobs in the service trades.

In essence, I am saying we support all of these amendments in varying degrees but more specifically those I have discussed. I would heartily urge representatives from citizens groups in a community be involved in all manpower programs. Hopefully, may passage of this legislation come about as quickly as possible.

We can develop a new dimension in this country that will be significant in countering some of the negative influences we read about in the newspapers. I think we will be able to forge an entire new dimension in this country in attitudes as well as skills.

Thank you, Mr. Chairman.

Mr. O'HARA. Thank you, Reverend Sullivan.

Mr. Tuma, I am going to save you until a little later while we talk to these three gentlemen.

Each of you have been working with or had programs that are directed to what are sometimes described as the hard core unemployed. We discovered in the early phases of this program, and it is still true, but to a lesser extent, that the people we tend to bring into the Manpower Development and Training Act program are more or less the cream of the unemployed, that is, I think during the first year of operation of the program, only 10 percent of the trainees were people who had an eighth-grade education or less, although one-third of all the unemployed were people with less than eighth-grade education.

I would gather your programs are directed toward people who would be primarily in that hard-core group.

Mr. COLE. If I could speak to that particular case, on the average they dropped out of high school in their sophomore year. This is no indication because actually they were below the sixth-grade educational level.

I think the year they left school is no measure of where they actually stand in functional literacy.

Mr. ESSER. The only thing I would say, I won't say all of the people who have real problems in the Southeast are hard core. Many of the people have just been moved out of agriculture where they have been able to improve themselves by training their lives and the lives of their families have been spent on the land and the land no longer supports them.

Mr. O'HARA. I imagine that is true in the Philadelphia and Chicago programs.

Mr. COLE. Hard core has nothing to do with the kids, they are people, too. It refers rather to their condition of unemployability.

Mr. ESSER. The motivation is there and I agree heartily with Reverend Sullivan that a lot of the motivation has to come from the community and the people themselves. We have to give every opportunity for this self-expression. This is what we already found in a limited way in basic adult education. The schools don't recruit them, the people recruit themselves.

Reverend SULLIVAN. And the improvement can come from the hard core. You gentlemen should visit our feeder program. Out of the 1,200 people enrolled in our feeder program, more than three-quarters are from the hard core. Hundreds of these people were involved in the riots in Philadelphia. The press cooperated with us, ministers. These people are saying, "Let me get myself out of this hole and make something of myself."

We didn't have this motivation before. There were Government programs, but largely in the thinking of the community these had been superimposed. We need this idea of the community helping themselves. It seems to solve a need when the program comes out of the community with the assistance of the Government.

You do have the need also of the community to support the Government.

Mr. O'HARA. I think you could generalize from your experience and say it simply is not enough to introduce a program for school machine

operators. You need something that goes a lot deeper into the personality, aptitudes, and the motivation of the people who are going to be asked to take the training.

Reverend SULLIVAN. Even to the extent that when people feel they are identified with a program of which they are a part, it does help. There are manpower programs in the Philadelphia area where you can't get people to come even though you give them $5 a day.

Here we charge people $25 a year and have 6,000 people on a waiting list. Of the manpower development and training programs, we have asked "Why didn't you go there?" They say, "No, it is not sincere." Through our feeder program we are going to follow these other programs and if the money comes through, and you gentlemen help us in developing our additional training facilities, we feel we can take the 4,000 people we are going to train and put them into manpower programs as well as programs developed by our center.

We can say to them, "Go, it is real, this is part of our movement of self-development." People feel identified rather than superimposed upon.

Mr. O'HARA. That phase of your experimental, developmental, and demonstration programs probably is more important in the long run than the regular programs operating under Manpower Development and Training Act. To a large extent the people in the regular programs and your programs are there because somewhere along the line the regular institutions weren't adequate for their problems.

I think we are learning a lot and I am sure you are learning a lot from your experience that may be applicable to a much broader aspect as we move along in this country.

I have certainly enjoyed listening to you and hearing your experiences.

Mr. COLE. In our summary of our first year we mention our experience with testing because one of the real problems has been people wanting to get into the manpower program and not having the ability to handle the general aptitude test or whatever else was given them. These tests are written by middle-class people for middle-class people using middle-class language and are no measure of the kind of people we are working with.

In our experience the one thing we asked was "Do you want to get in the program?" After they got in, we tested for placement and training, but we didn't use a test as a screening device and our experience says if someone wants the training, take him. You have about as good a batting average as when you use the test.

Mr. O'HARA. What you are talking about is a real problem. Immediately after the Studebaker closing in South Bend an intensive effort was made to retrain and replace Studebaker employees and other unemployed persons in that area. A large number were brought in for the test battery and as I recall it about two-thirds were unable to get past the most elementary test and because of the way we had it arranged, they weren't eligible for training.

Mr. COLE. And yet they had been working for Studebaker.

Mr. O'HARA. Yes.

Mr. Gibbons, would you like to ask any questions?

Mr. GIBBONS. I sort of intruded on the gentlemen's time as we went along. I appreciate their coming here, giving us the benefit of their experience. It has been most enlightening.

I want to ask you a practical question, Mr. Cole. You talked of people dropping out in their sophomore year in high school and they had a very low learning achievement, for instance, probably fourth- or fifth-grade readers, even though they were in their sophomore year. When you got around to remedying that specific handicap, what did you do? How did you remedy it?

Mr. COLE. We figured they had a lot of scar tissue built up from experience in school. The kids dropping out in their sophomore year actually dropped out psychologically when about 10 years old. I think the greatest thing happening in this country is preschool training. When a kid hits kindergarten with the same readiness as a middle-class youngster, once that happens, you can forget our type of program, but this boy with 7 or 8 years' reading ability sitting around high school and being "out of it," his motivation isn't to get education, it is to get a job, and training allowances help to get him there.

You have a problem of getting him interested in school. We are using a variety of gambits, one problem-solving method which is really logic; we are trying strictly an oral approach, trying letting them read anything they want. We are trying using program learning in a couple of units. I can't tell you at this point which is best or that all are good. Give us a year to measure and we may be able to give you some leads.

We have used adult education approaches of permissiveness but one of the problems is the prejudice of middle-class visitors. "What are those kids doing with their coats and hats in the classroom?" The kid is sitting there with his hat on for two reasons. One, "If I have my hat on, nobody will steal it." Two, it says to the instructor, "I can walk out when I want to."

Let the group gradually develop its own rules. Such a thing as smoking; after a couple of months, they get sick of having the classroom full of smoke. They make their own rule to smoke only during their class break.

If we said "Come into the classroom, hang your hat up, don't smoke," they have had it. They have been lectured by my kind of people so long they won't take it any longer. I think all of us coming from a middle-class background have been doing this. We use, in particular, this group discussion with college age for group nonprofessional counselors as leaders. We use people from a variety of backgrounds. A number have made it up themselves off the street, some from training programs. Some of them are college youths who have done tutoring. It doesn't matter what the background is. If they can accept the sort of values that are not their own, the rest doesn't matter. These people lead the small group discussion and it is pretty free flowing. We try to create a situation where the group starts looking at these common problems and how to tackle them.

I think that is the most crucial thing. The point Mr. Sullivan was making of being told for 100 years that you are a second-class citizen, this is a heck of a burden, and getting that sense of "I myself am an important person and if I can get a skill, I can get a job."

To the degree we can do that, we can make it.

Reverend SULLIVAN. We have to unwash the brain.

Sometimes this brain "unwashing" can take place in a period of 2 or 3 months. We did it in 2 months in some cases and can do it invariably in 3. This taking your hat off, putting your pants on right,

clean socks, wash your shirt, comb your hair, shave yourself, this to us is important in getting the people in the attitude of wanting to learn.

Then we had to develop some of our own curriculum material. We couldn't use some of the material handed down to us and we had to develop a curriculum to bring our feeder trainees up to a point. We were amazed to find people who could hardly spell or read.

In several weeks, with intensive efforts, they are coming back and being able to spell or read something and having their papers marked "Excellent." This to you may mean nothing, but it means so much to these people that they put their "Excellent" papers on their walls.

The next week we gave them something a little more difficult until they can write a letter or read a book. It doesn't require as long to do this as we had anticipated. This is why we have the feeder concept and every person coming to the feeder concept is afterward diverted to some basic training course in our OIC centers.

Mr. ESSER. First, obviously in North Carolina two out of every three we are concerned about are Negro, and in terms of the staff we are dealing with, we are not only working with integrated staff but we are drawing leadership from the teaching positions, counseling positions, all the work from the community.

We are getting indigenous leadership in those positions because we feel it has to come out of a community and obviously if Mr. Cole and Reverend Sullivan are finding this problem in Chicago and Philadelphia, people are coming to Chicago and Philadelphia from somewhere and so we are dealing with the same problem and we recognize how difficult it is going to be.

I think the significant thing is that the community itself is beginning to realize the difficulty of the problem. The second thing I would say is that we had experience last summer with preschool classes sponsored in part by the fund and part by the State board of education. I never saw such a response from the kids, the parents, the teachers, and the school systems. It was astounding.

The results of just a 6-week program in 100 schools, and it is expanding very rapidly. The third thing in terms of the dropouts, everything Mr. Cole said about what he is attempting to do is reflected in another program being carried out in North Carolina.

We are bringing seventh and eighth graders in for counseling in order to help them meet their problems before they become dropouts. In just 6 months this has been the experience, our experience has been in the initial results. The program is very encouraging. Teachers are being brought in with every 10 students in the situation so there is followup at the community level, and we are very hopeful we are going to be able to identify a good many of these kids who have basic problems before they leave school, and we hope to keep them in school right along.

Reverend SULLIVAN. Just for the record, it means nothing to you, but it does to me, my appreciation for this program, we have 400 ministers in this program whose tremendous community support from a network of communities has made our program successful. The Ford Foundation has given us money and we have had help from many sources.

Mr. COLE. One thing that I am sure has not been mentioned, one of the best subjects to use, has been Negro history. We have been developing our own because most Negro history which has been written

isn't worth using. This has been a tremendous motivational tool and has work very well.

Another point I would like to make is that it isn't just the people coming in from Mississippi and North Carolina, kids born in Chicago have the same problem. This program is dealing really with the drop-out from the whole society, not just out of school, and we have a chance to, I think, really break through what will otherwise continue a problem in our society.

Reverend SULLIVAN. We often speak of the urban community. You think of the colored from the private areas. When you think of the white illiteracy you are surprised to find that it is as high as it is.

In our center we found illiteracy by the hundreds. We found white people coming to get into the colored line. They have a great deal of illiteracy in white communities.

Mr. COLE. It is a class problem, not a race problem. It tends to hit most Negro communities because they are a poorer group.

Mr. GIBBONS. Please excuse me, I would like to tell of a personal experience. I was walking through a first-offender institution in the State of Florida and these offenders were primarily white. This was a penal institution and they were teaching so many of these white boys to read and write that I was surprised and I said, "You mean with free public education and public school attendance required, all these boys don't know how to read and write?" They said, "Yes, this is only one class. We have a lot more than that."

It was amazing to me.

Mr. O'HARA. Thank you very much, gentlemen. We are going to excuse you now and let Mr. Tuma tell us about the automotive workers' experience in this program.

Incidentally, one of the most interesting programs under the Manpower, Development and Training Act was the program of Automotive Workers Local 412 and I would like to see all labor unions take the attitude this union has taken and feel a responsibility for their own in the job-training area.

You gentlemen may stay or be excused.

Mr. Tuma, will you present your remarks? Your prepared statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT OF JOSEPH V. TUMA, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (AFL-CIO)

Mr. Chairman, my name is Joseph V. Tuma. I am manpower training representative for the UAW and, in that capacity, I serve our union and its members in the area of manpower training activities and vocational education in both privately and publicly supported fields of occupational training. The scope of my endeavor includes training programs identified directly with our membership as well as in those areas where nonmembers are involved. I am pleased to testify on the proposed amendment to the Manpower Development and Training Act and appreciate the invitation from the select subcommittee.

Our union has given unqualified support to the need for an effective manpower policy and has expressly supported the Manpower Development and Training Act. Our support comes not only in our petitions before the Congress but perhaps more concretely, our continuing active support of this legislation and its operation on a day-to-day basis throughout the country.

PERMANENT LEGISLATION

It is now being proposed that the Manpower Development and Training Act become permanent legislation. Experiences since the act became operational in

August 1962 justify the need for permanency. In a broad sense, we can safely assert that the act in its entirety has been experimental because it is new and it has been operating within an extremely fluid and sometimes contradictory labor market. The paradox between the manpower shortage and manpower surpluses is still perplexing to informed people, both in and outside government. Unemployment constantly remains at approximately 5 percent of the labor market, not including those who are underemployed. Overtime still is demanded of some while others wait for jobs. The need for skilled help and the lack of skilled hands points up a contradiction which, over the past 7 or 8 years, is accepted by some as an irresoluble dilemma.

Title I of the Manpower Development and Training Act represents a historic statement of purpose, calling for a comprehensive understanding and programing to cope with the movements, shifts, and occupational changes within the labor force, resulting from technology development, relocation of plants, shifts in market, and changes in the economic structure. We are, furthermore, called to take note of the increasing numbers of young people entering an elusive labor market, accompanied by an older worker labor force.

The fact is, however, efforts in the administration of this act have been mainly focused on the unemployed and, in more recent months, on the hard core unemployed. In terms of social and economic priorities, this is paramount and proper. In terms of developing an effective manpower policy, described in title I of the act, there are still a number of areas in which we need experimentation and evaluation. I trust that the Congress will approve this act and make it permanent. I trust that the Select Subcommittee on Labor will arrange for continued hearings and evaluation of this legislation and other matters pertaining to manpower at regular intervals, in order to effectively assess the national manpower picture. I would ask that the Subcommittee on Unemployment and Manpower of the U.S. Senate be prepared to do the same during what will be an extended period of turbulence in the labor market.

MATCHING FUNDS

In view of the provisions of H.R. 4257 now before this committee, I think it is most important that this legislation be enacted with dispatch by both Houses of the Congress. The statement of Mr. Andrew J. Biemiller of the AFL–CIO is quite adequate to demonstrate the need for prompt action to avert confusion and uncertainty among the respective State legislatures. Besides the mechanical problems that many State legislatures have regarding their calendar sessions which may not allow the opportunity for State action, it is entirely conceivable that many State legislatures would fail to act because of preoccupation with issues that are clearly intrastate in nature. This then, leads us to a discussion of the proposal to amend present section 231 which calls for State matching on a 66⅔–33⅓ basis. Under the terms of the proposed amendments there will be a 90-percent Federal financing program which calls for 10 percent State (or local) support. It is difficult to comprehend the reasons for the 90-percent–10-percent formula. Title I of the act calls for, in effect, development of a national manpower policy. Supporting provisions under the new proposed amendment to part C, section 241, make it possible for any one or more of several States to dilute this effort. The contradiction is more readily apparent when we examine part D: Redevelopment Areas, section 251 in which full Federal financing is granted to designated redevelopment areas. In my judgment both the scope of the legislation, the urgency of the problem and the imperative, practical, and legal (title II) necessity for area labor market personnel and local school participation, give sound and reasonable support for continuation of a fully financed Manpower Development and Training Act by the Federal Government.

TRAINING ALLOWANCES

Proposed in H.R. 4257 is the extension of training allowances up to a period of 104 weeks as contrasted with the earlier provisions which permit 72 weeks of occupational and basic educational training.

Experiences we have had in dealing with the extremely disadvantaged and hard core unemployed have pointed up the need for flexibility of training in these areas as well as an extension of time. These problem areas call for administrative and discretionary latitude based on careful judgment and thorough advisory committee review.

Vocational educators have surprised others and perhaps themselves with the successes in specific training for occupations having "reasonable expectation of employment." In the main, training programs have been specifically tailored to existing job opportunities and designed at the level that will meet the capacity of the trainees. This concept should not be changed.

Historically, training schedules and curriculums content have been modified and in many instances revolutionized in order to meet the pressing human needs for employment and at the same time, observe the limitations in the present act. Great restraint must be exercised and continued imagination demonstrated to insure a continuation of this versatility. Respect for existing management-labor practices in the field of apprenticeship should be taken into account and where possible and needed, the extension may very well serve to aid and abet labor-management training programs through preapprentice and on-the-job apprenticeship training to meet needs over and above presently existing efforts.

We are, however, against programing for the maximum period of time merely because it would be legally permissible and because with new improved training allowances, trainee retention may be better sustained.

As a corollary to the 104-week training provision, I again urge bringing vitality into the area and State manpower advisory committees. We are dealing with serious human problems. We are dealing with substantial funds supplied by the taxpayers and we are using a tool of considerable importance in our attack upon unemployment. I cannot emphasize too strongly the need for implementation of that provision of the act and the regulations which directs the formation and functioning of manpower advisory committees in the labor market areas and the States.

We urge that this committee and the Congress underscore the importance of effective, participating manpower advisory committees. We recognize the fact that these committees must be assembled, activated, and energized by the same people who have the responsibility for the administration of the act.

It may militate against the feelings of those who administer and effectuate the provisions of the law to call upon lay citizenry to look over their shoulders as they carry out their responsibilities. Nonetheless, the advice, counsel, and review of representative sections of the community on matters pertaining to broad target areas for training, cost, priorities, value judgments, selections, curriculums, facilities, equipment, placement, and wage rates are an inherent part of the mechanism necessary to further a democratic manpower policy.

Certain basic guidelines should be established by the Department of Labor and the Department of Health, Education, and Welfare to insure that broad policy matters as well as specific programing are adequately reviewed and discussed by advisory committees with special instruction regarding minimum wage compliance or observance in excluded categories, prevailing wage recognition and nondiscrimination for reasons of race, sex, or age.

The UAW supports the upward adjustments in training allowances and yet recognizes that these adjustments for a head-of-household who is in training and has two dependents besides spouse, will barely be above the marginal line used to define poverty. Nonetheless, it is a sorely needed forward step and it has our support.

The inclusion of single, widowed, or divorced adults is long overdue and corrects a serious oversight in earlier legislation. I would urge, however, that this provision be modified to include any adult over 22 who is available and seeking employment and would, but for the lack of marketable skills, be employed. Such a provision would then eliminate rather than simply reduce the possibility of "horror" cases as we have known them in the past.

OTHER PROPOSED AMENDMENTS

The statement of the AFL–CIO regarding other issues is supported by the UAW and does not require further comment.

GRANTS AND CONTRACTS

Job development should include exploration of more than low paying occupation areas requiring a minimum of skill. I do not minimize the importance of developing work habits and the induction of severely disadvantaged even into the edges of the active labor market. We must not set our sights at this level. To permit both the unemployed and underemployed to enter into the mainstream of the labor market, section 102 (6) and (7) should be broadened to provide

job development experience with expanding and emerging occupations. Put another way—and consistent with the provisions of title I—the need for a job development program should relate to upgrading, updating, and skill improvement possibilities for those seeking fuller utilization of their skill potential whether they are employed, underemployed, or unemployed.

This process was successfully applied in World War II. Job upgrading of those then employed opened vast opportunities for new, inexperienced people to fill vacancies. Today, in skilled, subtechnical and technical occupations in the automobile industry, there are serious manpower shortages. It is my assessment that the present manpower demands today are equal to or greater in certain respects than those which existed in World War II. Inadequacy of training during the fifties combined with advanced technology has created a critical problem of supply and makes newspaper want ads and placement orders with the employment service meaningless. This, combined with tighter employment qualifications has produced continued shortages in the following occupations. These occupations are in the technical, skilled, apprenticeable, semiskilled and operative classifications.

Product draftsman
Plant layout man
Toolmakers
Metal and wood patternmakers
Combination welders
Millwrights
All construction trades
Welders
Production machine operators
Molders
Office and clerical occupations
Semiprofessional, nonprofessional medical occupations
Tool, die, and machine designers
Diemakers, die setting
Machinists
Machine repairman
Tinsmiths
Electricians
Pipefitters
Precision machine operators
Sewing machine operators (auto upholstery)
Shop clericals

We are faced with need to accelerate upgrading and/or apprenticeship training. Many occupations in the nonapprenticeable area lend themselves to normal promotional and transfer practices prescribed in labor contracts. This ongoing effort may be expected to continue. However, there is beginning to appear need for formalized instruction in new and changing jobs. Semiskilled operations now call for blueprint reading and shop math. Already, we have conducted post journeyman training for bricklayers in welding. Demand for a more thorough understanding of electrical-electronics-hydraulic penumatic systems, are required in maintenance. In some instances, this provides new jobs through promotional vacancies. In other instances, it saves jobs and employment. In till other instances, new jobs arise that can be filled through in-plant training at a fraction of institutional training costs. This whole process must be encouraged to open jobs for those with little or no experience or training, and to generally move our productive system ahead more rapidly.

Another specific area of attention should be in the field of apprenticeship training. In the automobile industry there are several routes into the skilled trades. Formalized apprenticeship based upon a broad sampling of principal corporations, show the existing ratio (1963) of indentured apprentices to journeymen to be about 1 to 29. UAW labor contract ratios permits on the average one apprentice to eight journeymen.

While skilled manpower needs are supplemented through other channels as prescribed by labor agreement, the opportunities for basic apprenticeship training may be enhanced by a coupled preapprenticeship and apprenticeship training program. Training over and beyond the present efforts may be encouraged, especially where early training costs tend to dissuade the individual management from training in a readily marketable skill in an active labor market.

The demonstration and experimental provisions under section 102 should be enlarged to determine ways and means of accelerating this training, including,

under appropriate safeguards, the possibility of allowance assistance directly to employed trainees whose output is measurably less during the initial period of training on the job. This kind of supplementation, combined with proposed defrayal of 50 percent State training costs for employed workers, should remove at least two obstacles now in the way of successful operation of on-the-job training.

Finally, with respect to upgrading, there must be a recognition that it is impossible to provide either space or equipment to meet current needs through institutional training in the semiskilled, skilled, and technical occupations. Cost considerations, in addition to human need, dictate new approaches to upgrading and job development.

In addition to the problems and comments above, there are other problems relating to skill training on the job. These include:

1. Equipment and facility availability.
2. Time and scheduling factors, including (*a*) in-plant instruction, (*b*) equipment or machinery for instruction, and (*c*) related instruction.
3. Training investment and marketable skills.
4. Inadequate basic and occupational education.
5. Hiring standards.

To provide a balanced Manpower Development and Training Act, special attention should be given to occupational obsolescence and industry shifts.

Within the past year, the Manpower Development and Training Act was put into action to attempt to meet the needs in two plants which discontinued operations. A foundry in Cleveland was closed down. Of the 700 employees, only 150 were equipped to secure employment. The balance of the work force, severely handicapped by the lack of basic educational tools, found it necessary to start almost from scratch to reenter the labor market. In most instances, their problems were made more difficult because they were middle aged and Negro. The tragedy in this situation was (*a*) no clear announcement was given the workers or Government officials until 3 weeks before shutdown; (*b*) no steps had been taken to provide preventive training; (*c*) unemployment insurance and other income security benefits were far from the original wage-benefit concept.

South Bend, Ind., produced a similar problem. Here, 2 weeks' notice was given 6,500 workers. The efforts of the Department of Commerce, Defense, Health, Education, and Welfare, and Labor, provided the best cushion that could be put together to meet a real calamity, but without sufficient advance notice, preventive training, occupational inventories, individual skill résumés and other information had to be assembled in a moment of crisis.

The right to know of one's job future and livelihood sufficiently in advance is now accepted and observed in several West European nations. Whether economic changes be large and dramatic or almost imperceptible, steps must be taken to grapple with the problem of job and plant dislocation, erosion and obsolescence. The Manpower Development and Training Act is neither designed nor equipped to handle problems of this dimension. Much broader legislation is needed to meet the catastrophic problems of Cleveland, South Bend, and elsewhere.

In conclusion, Mr. Chairman, I am sure there is a recognition that the Manpower Development and Training Act in itself cannot produce full employment; neither can we reasonably expect in these times, full employment without educated and trained manpower. I therefore return, if I may, to an initial suggestion in my testimony which calls upon your committee and its counterpart in the Senate to hold regularly established hearings to measure manpower needs in the light of bold economic steps necessary to eradicate unemployment.

Thus, it is incumbent on this committee and all of us to continuously work to update the Manpower Development and Training Act in order that it can become a statute designed to meet the challenge of the future rather than to salvage victims of past omissions.

Mr. O'HARA. Mr. Tuma, will you proceed?

STATEMENT OF JOSEPH V. TUMA, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (AFL–CIO)

Mr. TUMA. I would like to make a preliminary comment or two with regard to the earlier testimony. I think it points up some

problems that apply also to many of our own working members.

My friends in the Department of Labor tell me that there are roughly 20 million people in this country who, if their jobs were discontinued, would find themselves unemployed because they have single skills, and if there were no identical classifications of work, they would be hard put.

The Bureau of the Census in the Wayne County area discovered in 1961 that there were 34,000 people who had fifth grade education or less.

Not all of these people are unemployed, of course, but if they lost their jobs, I want to assure you that in any relatively sophisticated economic community such as Metropolitan Detroit, it would be difficult for them to secure reemployment.

We ran into this particularly in Cleveland, Ohio, where a foundry was shut down. Here out of the foundry personnel of some 700 people, 150 were employable and secured employment within a relatively short period of time. The balance, some 550, were good wage-earners, taxpaying citizens, well dressed, most of them middle-aged Negroes with an average education level of 4.3 years. We have had extreme difficulty in the area of testing for the selection of manpower training as well as for training and placement. I think it does point up this problem, as was the case in Studebaker. We need some signals in advance so we can begin to meet these problems before a person hits bottom.

In the experience of local 412, we are dealing largely with people having almost high school equivalents of 11.2 level of education. Here, the primary motivating factor for the union was the knowledge that some of the operations in the engineering departments, at least at the clerical level, were being automated by new business machines and new equipment, and many of our people would be displaced if they didn't acquire at least entry skills.

In addition to that, we also knew the enormous demand for people in the engineering crafts that were going unfilled in a very active economic situation.

In the automobile industry, it didn't take much imagination to put these two elements together, but it took a great deal of work.

We had support from the Chrysler Corp. by way of equipment, encouragement from a number of sources, and with a sum of $16,200 from the Bureau of Apprenticeship and Training under the OJT provision of the Manpower Act; we proceeded to develop an internal program which, in a sense, was a substitute for the discontinued training program of one of the large automotive corporations in the city.

We trained 60 people and are now in the process of having our experience examined and summarized by a doctoral candidate who has taken an interest in this operation. He is just now beginning to check the results of this training program, which roughly worked out at a cost of about $270 per trainee. He has discovered some interesting things and that is; first, that all but three have had job offers. We must remember most of these people were employed and all but three have had job offers of those he checked.

Of the 44 he has checked out so far, 21 have improved their job positions since completing training. But they have averaged from a $1 to $37 increases in weekly wages.

We have the results from a person employed as an office clerk for 14 years and with that many years of seniority that person was downgraded to mail clerk. He wanted to hold his seniority. He was 46 years old with a family of six children and he was very anxious to grab hold of any opportunity to secure better employment than being a mail clerk at his age and with his background.

Today, with some technical training under his belt, he is working as a quality control technician at quite a substantial increase in salary per week. It goes without saying that in short order he would make available to the Internal Revenue Service the cost of his training.

In another instance a machine builder helper has been upgraded $0.65 an hour as a machine builder.

One man getting $3.60 an hour at the time, came back as an assistant supervisor in another company. Then we have less dramatic but more important results of numbers of workers moving into the drafting field.

Mr. O'HARA. May I interrupt a moment? That brings to mind one of the often overlooked aspects of the Manpower Development and Training Act and that is that there are skilled shortages at higher levels and there is a shortage of entry jobs. Obviously, the Manpower Development and Training Act should not restrict itself to training people for entry jobs, because one of our problems is going to be job development, and you can develop jobs by training people in entry-type jobs to move on to higher skills to fill needs at those levels, and thereby open up jobs.

Mr. TUMA. I have dealt with this in my prepared testimony. I would like to underscore it by saying a mail clerk would be rather hard up economically—one of the instances I referred to is the man who became a quality control technician. This does point up the important section in the new proposed amendment dealing with job development. We have been under some handicap in this regard because of administrative emphasis on training the severely disadvantaged which I recognize and acknowledge in terms of the priorities in the past. I wouldn't want to minimize this. I think it is paramount that we deal in the areas the three witnesses described before I began to speak.

Also, if we are going to break loose jobs at the levels of many of those severely disadvantaged where they can move into them, we have to accelerate the job openings for those in the higher classifications. I don't think we have done a particularly good job under the Manpower Development and Training Act in the area of upgrading jobs.

I think we should get the hard-core unemployed at work doing something, doing some useful form of activity. Upgrading employed workers is one way.

Secondly, we have had some problems with regard to on-the-job training and I have noted in my testimony we may very well come to the point of recognizing a very basic kind of question that is before us, and that is, Who has the responsibility for training employed people? Does this rest with the private sector, or is it with the public sector?

I note here for your information that the Ford Trade School and the Chrysler Engineering Institute have either discontinued or cut back their own training activities.

I also note that the rate of apprenticeship has been increasing at an extremely modest pace, notwithstanding the fact you will see in my testimony an enormous number of trades in the automotive industry and in the city of Detroit where this is desperately needed. I believe the need is just as great now as it was during wartime. This applies to the technical and subtechnical skills and in apprenticeable skilled fields.

Mr. GIBBONS. I know you are second-guessing, but why do you think these employers have stopped training programs?

Mr. TUMA. I am not really sure that it is altogether a stoppage, but I would rather think in the past high school education was sufficient for training in many jobs, but today we are finding high school education is not sufficient for training in many jobs.

Industry is saying that since they had people trained to meet their needs in the past by the public sector, they (the public) have the obligation to continue to train these people in the public sector to meet industry needs.

When the requirements go beyond 12 grades of school as the industry knows it today, and this may be a second guess, as you say, but my feeling is that if we are to meet these problems, we cannot do it simply on the basis of public facilities.

I want to describe a tough one we have not solved. We have a center in Michigan—a forging center for many years. It is out of State. It was attached to the railroad industry and the forging industry, and in that town was the paramount source of wages and income for the community.

Now, to teach people institutionally how to work in the forging industry as hammermen, forge press operators, heaters, or how to perform other occupations which may or may not be apprenticeable, in an institution, would require an investment far beyond any single institution in that community, the school system or Manpower Development and Training Act funds, or anything else.

We have not yet been able to work out a program where we can utilize the facilities of this firm or of a combination of these companies to develop these occupations, and I am told by management people that unless we have new hammermen, forge press operators, and heaters coming in, with the age of those presently employed in the industry, the industry will die in this community from lack of help.

It isn't a problem of lack of work, wages, or competition; it is a lack of manpower and ways to make available training facilities. There are practical problems because you can't run one hammer when your powerplant is designed to feed seven or eight hammers in a battery. You can't run one forge press because the flow of work has to be from one to the next to provide the kind of output necessary.

To experiment and make it a nonproductive educational enterprise would be extremely expensive. Whatever is produced, I believe, would have to enter commerce, it ought not to be thrown in the river, and yet the training costs without some sort of supplementation would be prohibitive for that reason, and industry is hanging on and perhaps, it may die if we can't meet it. I am hoping there can be some type of arrangement, particularly under the section dealing with grants and contracts, where we can begin to take hold of this one.

Mr. O'HARA. I have the impression that industry has been quite slow in grasping the changes that occur in terms of their skill needs, and manpower needs and that there has been a good deal of handwriting going on instead of constructive action.

I have had occasion to talk to organizations and they say they generally employ people with the requisite skills, but it is hard to find anyone saying, "How am I going to train people or do I have a rule in developing these skills?"

Sam and I as lawyers can understand that attitudes change slowly and usually only well after the event, but I think industry just hasn't really come to grips with the problem, and that is why I believe we don't have as much on-the-job training as we should have.

Mr. TUMA. I think in view of the testimony heard here and my observation, I think industry is willing to lend support to training programs conducted outside their operations and facilities.

Mr. O'HARA. We are just starting that.

Mr. TUMA. I don't think we ought to minimize their interest in training so long as they are not responsible for the administration, the instruction operation and the actual job of training. But when it comes to taking on this as part of the business, here is where the line becomes pretty clear. I would say that if the wage factor is one factor, that should not be a barrier. I think basically, however, we have lived in an economy where most companies have been very happy to have their competitors and public institutions doing the training so they can steal the product once he is trained.

In this regard, I would hope we could work out more comprehensive approaches through trade associations and through widespread application by industry wherever possible.

We are at present making some overtures in this area and I hope we can succeed to some extent. This is not a simple problem because you have the individual competitive factors constantly at play for skilled manpower.

Mr. O'HARA. One other thing, and I am sorry to interrupt your presentation, but I know your union has been making an effort to get its employers to agree to establishing a system to provide in-plant training for existing employees, so existing employees will have opportunity to move into better jobs or into another department if the one they are in is being phased out.

I know you have been conducting negotiations with automobile companies on this subject.

What progress have you made?

Mr. TUMA. You really pointed up two areas, one, the situation within a plant. We have had for some period of time normal promotional and upgrading provisions so people can move up the ladder when openings occur, and allow for unemployed to come in.

The experience in the automobile industry is like most manufacturing industry. This is not a broad or wide door of opportunity as upgrading occurs, because employment has generally remained relatively constant and declined in terms of output and productivity. I am not sure each time a person moves up, there is a job open.

As we broaden the area of employment opportunities for people being laid off from one plant within a corporation, they are now able to transfer to another plant and maintain their longevity benefits.

I think the third area, that is the area of training, is the one that is still nagging. This is true particularly in the apprenticeable trades, and when I use the term "apprenticeable trades," we did make some progress in negotiations this year to relax standards, both in apprentice requirements so that the educational levels are not as high as in the past, and with respect to allowing certain credits for previous experience so a person is not geared into a straitjacket apprentice program without regard to his earlier experience. He can arrive at journeyman status earlier. This we insist on. The ratio of apprentice to journeyman is less than that permitted under our labor contract. For example, in the Tooling Association in Detroit our ratio in fact, is about 1 to 16 and recently, we negotiated a 1-apprentice-to-5 journeyman ratio. I hope we can do something about that. Earlier the contract ratio was 1 to 8; even though it was 1 to 8 we had 1 to 16. Now we have a 1-to-5 contract ratio. I hope the 16 can drop down considerably.

There are reasons for resistance that are difficult for me to comprehend unless it turns on the single question of the operations that might be inconvenienced due to training. I don't believe it is a question of wages so much as a tieing up of a machine while training a kid. It is the machine that makes money.

Mr. O'HARA. What progress are you making in your efforts to get your company to train and shift blue-collar workers to white-collar jobs as the industry shifts from blue to white collar?

Mr. TUMA. We had a plea to the industry almost a year and a half ago, hoping there would be recognition that as automation had impact on blue-collar workers, there would be opportunity for transfer into the white-collar areas. I am not pleased or enchanted with the results of that request we made.

This has again been a tough one and I think it largely goes back to industry desire for outside institutional training rather than assuming training responsibilities in the plant.

I would like to make one comment on the training tuition refunds. There may be some possibility of using this effectively to meet problems in advancement. I am hopeful that we can work with the companies so we can begin at least to meet the problems we described in Cleveland so we can offer basic education or high school education in the event people are left out.

I would like to add, we have been recently able to secure a contract with the Department of Labor for a training program in New York City for garage mechanics. Here, we have sweated for 24 months to work this one out, and I would like to urge there be a simplification of procedures and that the grant provisions be made permanent rather than experimental.

But we found it necessary to put management and union thinking on a training program, and then the State-Federal employment people, the local and State and Federal educational people, in a coupled program of institutional OJT training. It called for 3 separate contracts in order to train 120 garage mechanics that were needed 24 months ago.

I might say that it was only through tenacity and determination that we were able to get it. We are still, of course, working very closely with the board of education to establish the right kind of facility which is meaningful in terms of training.

Upgrading and training of employees in this program is largely for minority groups, but still union and management people were terribly discouraged by the lack of speed with which this whole thing was proceeded and I can understand their feeling. I might say it took a great deal of doing to reinstate in their hearts some spirit to go ahead.

It was only when a clear contract was written and with the approval and interest of Mayor Wagner that we were able to generate and rekindle their spirit.

This points up to me the importance of having greater flexibility to meet the problems of new experiences; the kind of things my colleagues have indicated here this morning. The flexibility is needed in meeting those particular kinds of problems that are not tailored neatly to the vocational-education approach.

Mr. O'HARA. Mr. Tuma, I think your testimony has been very helpful. On transportation allowances, it seems to me that the allowance is a very useful device.

I live in a community that you would now have to consider part of the Detroit metropolitan area, although it is a long way from downtown Detroit. If someone in my community wanted to train in Detroit, the heart of where most Manpower Development and Training Act training is taking place, it would cost him about $3 a day just to get back and forth and about $15 a week for transportation.

This seriously limits the ability of people who live within the metropolitan area, but not in the community.

For instance, in the Chicago area, we had a witness who said that if someone were going to come into his program from Calumet or from a similar area that he had no idea what it would cost him, but I imagine it would be considerable.

Mr. TUMA. Let me say I think the alternative of commuting allowances is the paying of subsistence to make it possible for a person to take training. Subsistence allowances are not always the answer except as a last resort, and should be used legitimately rather than as an offset for transportation problems people have.

Mr. O'HARA. It would be ridiculous to bring someone from the outlying areas into Detroit and have them stay there.

Mr. TUMA. We have done that. There have been cases where one might live within a broad sense, inside commuting distance, but transportation costs caused them to stay home. But if subsistence allowances could be justified, perhaps they could stay in the city during the training period.

I think it has an effect on the trainees, it has an effect on the home life of the person. In the long run, I think there would be less cost in transportation allowance than paying subsistence.

Up until now, there has been a serious problem even for those receiving the basic training allowance, and under the circumstances I certainly would support the idea of commuting allowances to meet a very real problem either in the rural areas or vast metropolitan areas. It is hard for me to imagine a situation where commuting allowances might not be of value and although they need not be paid to all trainees, certainly, some of them ought to have the commuting allowance available to meet the trainee's requirements, his needs.

I just would like to make one or two general comments on the matching funds provision. I want to urge that amendment again be reconsidered with the plea that the Congress would see fit to continue the present 100-percent matching requirements. I think in terms of a situation like South Bend, where it is obviously an interstate endeavor people will come from a variety of places in that area for training, both in and out of State, and they go out of State in good amounts for employment.

If matched funds is the problem, the interstate character of the thing certainly is not. I recognize you are calling for ARA application in some situations. I suggest that this could be made universal. I think also, we may be opening up something of a little barrel of snakes if we write regulations that call for 10-percent matching in cash or in kind. It will introduce even more administrative difficulties than we would have contemplated, and for that reason, I urge the 100-percent Federal support that the act has received in the past.

I want to say also, without question, our union supports the idea of a permanent manpower training act and continued interest on the part of both this committee and its counterpart in the Senate to assist and evaluate what is developing in the manpower field.

Mr. O'HARA. Thank you very much, Mr. Tuma. We are closing up at just the right time, 2 minutes after 12.

Without objection, the complete statements of the four witness who appeared this morning will be entered in the record immediately prior to their oral statements.

I have with me a statement delivered at the recent quarterly meeting of the nine county San Francisco Bay area Manpower Development and Training Act advisory council of, I believe, January 27, by S. W. Hawkins, training coordinator for education and training. The statement deals with the question of engineering obsolescence which relates to the matter brought up yesterday by witnesses from Radio Corp. of America.

I ask unanimous consent that this letter be entered into the record following the testimony given yesterday by RCA's representatives. Without objection it will be so ordered.

Mr. GIBBONS. Before we close the hearing, Mr. Hathaway, our colleague from Maine, discussed with me yesterday a matter he wanted to enter in the record. It is from testimony he had received. If we might ask unanimous consent that the record be left open for Mr. Hathaway to insert some material——

Mr. O'HARA. Without objection the record of these hearings will be left open until 1 week from today. In that time those having an interest may present statements for inclusion in the record as well as any materials submitted by members of the subcommittee.

It is so ordered without objection.

This concludes the hearings on these bills. As acting chairman I wish to extend my thanks and appreciation to the members of the subcommittee and the staff for the way these hearings have been conducted.

An executive session of this committee is tentatively scheduled for Wednesday of next week where we will discuss various aspects of the

bill in hopes of forwarding it to the Committee on Education and Labor.

The Select Subcommittee on Labor will now adjourn, subject to call of the Chair.

(The Select Subcommittee on Labor adjourned at 12:05, subject to the call of the Chair.)

(The following material has been provided by the U.S. Department of Labor in response to requests for information from Chairman Elmer J. Holland:)

REPLIES TO QUESTIONS IN CONGRESSMAN HOLLAND'S LETTER OF FEBRUARY 17, 1965, CONCERNING THE DEPARTMENT OF LABOR'S MANPOWER BILL OF 1965

Question 1. To date, what dollar amount of funds authorized under the Manpower Development and Training Act has been spent or obligated for on-the-job training programs, and what percentage does this represent of total Manpower Development and Training Act funds obligated for all training programs?

Answer. From the beginning of the program in August 1962 through January 1965, a total of $420.7 million represents the amount approved for training programs of all types. Of this amount, $22.6 million, or 5.4 percent, has been for on-the-job training activities.

Question 2. How many "basic education" programs have so far been approved and/or actually put into operation under the 1963 amendments? How many trainees have been approved for them and how many graduated? What has been the average length of such approved "basic education" programs?

Answer. No project is approved for basic education alone. Basic education programs are generally a part of a multioccupational projetc.[1] Of 108 large multioccupational projects approved through October 23, 1964, 66 contained provisions for basic education instructions. Forty-one of these were special youth projects for disadvantaged young persons age 16 through 21. These 66 projects were approved for 68,736 trainees. As of October 23, 1964, 24,781 of the trainees had been enrolled and 13,817 of them had received some basic education.

In calendar year 1964, the proportion of Manpower Development and Training Act enrollees with less than an eighth-grade education was more than double that of calendar year 1963 (7 to 3.2 percent). This rise is attributable in large measure to the initiation and development of Manpower Development and Training Act courses with provisions for basic education training that took place in the last 6 months of 1964 after funds became available.

Question 3. How many training programs specifically designated as "experimental," "developmental," and/or "pilot" projects—as opposed to regular training programs—have so far been approved? How many trainees have been approved for these and how many have graduated? Has the dropout rate been significantly different for these than for "regular" training programs?

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[1] Multioccupational projects are defined here as projects with 50 or more trainees providing training on 4 or more occupations.

Answer. During the period from January 1963 through February 1965, a total of 116 experimental and demonstration projects providing services and/or training for 52,260 people had been approved. Of this number, 25 projects servicing nearly 8,000 people have been completed.

The experimental and demonstration program provides individualized services which can be rescheduled if a person receiving service misses a session. Although no comprehensive data are now available on this point, indications are that the "dropout" rate for recipients of E. & D. services is generally lower than the 1964 dropout rate of about 30 percent for institutional Manpower Development and Training Act trainees.

Question 4. Are figures available to show the dollar amount, cumulatively to date, that has been obligated or spent for "experimental," "demonstration," and/or "pilot" training programs and the percentage this represents of total Manpower Development and Training Act funds obligated for training programs?

Answer. Cumulatively to date, $18.2 million has been obligated for special services provided to individuals under the experimental and demonstration programs. This represents 4.3 percent of the amount approved for training programs of all types.

Question 5: Have studies been conducted, or are they being conducted, of the employment status of Manpower Development and Training Act program graduates as of 6 months, 1 year or longer after they have successfully completed training? If there is information now available from such studies, a brief summary of findings to date would be of interest to the subcommittee.

Answer. As a part of the reporting system established under the Manpower Development and Training Act, form MT–103, followup report on Manpower Development and Training Act graduates is completed for each trainee 3 months, 6 months, and 1 year after graduation. This form became operative only July 1, 1964, and the first tabulations indicate that 76 percent of those for whom followup reports were made were employed. This breaks down to 62 percent of the males and 70 percent of the females. Also a special evaluation followup study has just been completed. About 1,000 Manpower Development and Training Act graduates were interviewed by professional interviewers and it was found that 73 percent of the graduates were at work.

Question 6: Are data available on the rate of placement, after successful completion of Manpower Development and Training Act training programs, of trainees who had been unemployed for long periods (26 weeks or more) before entering training as compared to trainees who had been in an unemployment status for shorter periods?

Answer. See attached table B.

Question 7: Are data available on the rate of placement of Manpower Development and Training Act training program graduates by age category—e.g., 16 to 21, 22 to 44, 45 and over? By racial category—i.e., white versus nonwhite?

Answer. Attached table C gives placement rate by age, and table D gives placement rate by color.

TABLE A.—*Educational attainment and placement rates, by sex, of Manpower Development and Training Act graduates (for completions through Dec. 31, 1963)*

Years of school	Percent distribution of graduates		Employment rates as of Mar. 15, 1964 (percent of completions)		
	Through Dec. 31, 1963	Employed by Mar. 15, 1964	Total	Male	Female
Total	100.0	100.0	71.9	74.7	67.8
Less than 8	3.0	3.0	70.7	71.9	67.1
8	7.2	7.1	70.6	72.5	66.8
9 to 11	29.8	29.2	70.6	73.8	65.9
12	50.9	51.7	73.0	75.9	69.0
Over 12	9.1	9.0	71.1	73.9	67.6

Source: U.S. Employment Service based on data from State employment service agencies.

TABLE B.—*Employment rates of Manpower Development and Training Act graduates, by duration of previous unemployment (for completions through Dec. 31, 1963)*

Duration of unemployment (in weeks)	Employment rates as of Mar. 15, 1964		
	Total	Male	Female
Total [1]	71.2	73.8	67.5
Under 5	76.5	77.9	73.5
5 to 14	74.8	76.6	70.9
15 to 26	70.0	71.5	67.3
27 to 52	67.4	70.1	64.2
Over 52	63.2	63.6	63.0

[1] Duration data exclude underemployed and family farmworker trainees.

Source: U.S. Employment Service based on data from State employment service agencies.

TABLE C.—*Manpower Development and Training Act graduates employed by age group (for completions through Dec. 31, 1963)*

Age (in years)	Employment rates as of Mar. 15, 1964 (percent of completions)		
	Total	Male	Female
Total	71.9	74.7	67.8
Under 19	77.2	80.7	72.9
19 to 21	71.7	74.0	68.2
22 to 34	72.8	76.1	66.6
35 to 44	70.7	72.5	68.6
45 and over	67.5	69.3	65.5

Source: U.S. Employment Service based on data from State employment service agencies.

TABLE D.—*Employment rate, by race, of Manpower Development and Training Act graduates (based on a special tabulation of 28,000 trainees)*

	Employed as a percentage of completions	
	White	Nonwhite
Previous duration of unemployment:		
Total	77.4	69.0
Under 26 weeks	81.4	72.9
26 and over	69.5	62.6
Age:		
Total	78.3	70.1
16 to 21	77.7	67.7
22 to 44	80.6	71.8
45 and over	70.2	60.9

These percentages are not strictly comparable to those in the tables for completions through Dec. 31, 1963.

Question 8. What number of approved Manpower Development and Training Act trainees have been assigned to private business schools or other private vocational schools for training? What is the dollar amount and percentage of total Manpower Development and Training Act training funds obligated or spent to date for such training programs in private schools?

Answer. Over 8,000 trainees have been or are now receiving training in 27 States through some 80 private schools. The training costs for these programs have been approximately $6 million, or 2 percent of total Manpower Development and Training Act institutional costs.

INFORMATION REQUESTED CONCERNING THE MANPOWER DEVELOPMENT AND TRAINING ACT IN A JANUARY 29, 1965, MEMORANDUM FROM THE SELECT SUBCOMMITTEE ON LABOR

Question 1. Of total sum of money spent (or obligated) under the Manpower Development and Training Act since inception, approximately what percent, and what dollar total, have been for training allowances?

Answer. From the inception of the Manpower Development and Training Act program in August 1962 through December 1964, about $190.1 million, or 45.5 percent, of the $417.6 million committed was for training allowances.

Question 4: What is the average training allowance per week of Manpower Development Training Act trainees (excluding "youth")? Has there been a trend up or down in this allowance within the last 6 months?

Answer. (*a*) The average adult training allowance paid for the 6-month period July to December 31, 1964, was $40.65. (*b*) While there was no "trend" in the amount paid during that period (as shown by the following monthly averages), the amount did show a consistent downward drift from the September peak.

July	$40.09
August	38.88
September	43.27
October	42.21
November	41.73
December	41.51

Allowances during this 6-month period were higher than they had been earlier because of the implementation in June 1964 of the 1963 amendments for allowances up to $10 more than the average unemployment insurance payment. For the period March–May 1964 the average adult allowance was $34.30.

Question 5(*a*). Does a trainee receive the full allowance for a training program which runs less than 30 hours a week? Less than 20 hours a week?

Answer. A trainee eligible for allowances is paid the full training allowance when participating in a Manpower Development Training Act course approved as full-time training. The standard for full-time training is 40 hours of instruction a week unless a shorter instruction week can be justified. If the trainee works part time, however, the amount of the allowance is reduced in an amount equal to his full earnings for hours worked in excess of 20 hours a week.

Question 5(*b*). Do any programs, in fact, run less than 30 hours a week? If they do, what is the reason, generally, for this?

Answer. There are programs scheduled for less than 30 hours a week instructional time, but the majority of the programs run between 30 and 40 hours per week. For any Manpower Development Training Act program, every effort is made to structure the amount and type of instruction to serve the needs of the trainees. Every individual does not benefit from 8 hours of instruction 5 days a week. For instance, more persons with an inadequate education background are entering training. Forty hours of instruction, particularly where it involves remedial activity, would be especially difficult for individuals with such a background. The absorption facility of the human brain has definite limitations. In working with persons such as individuals referred for training under the Manpower Development Training Act, the point of diminishing returns is reached very quickly. This does not suggest that 30 and 40 hours of instruction is impossible. It is possible and, as stated above, most programs are scheduled for 30 to 40 hours per week.

In addition, the amount of Manpower Development Training Act instruction per week may be limited by the availability of teacher's time and of public school facilities. In many instances, the existing schedules in the schools include such activities as adult evening classes, athletic events, and building maintenance, and Manpower Development Training Act training schedules must be fitted into this schedule.

Some Manpower Development Training Act courses are programed in late afternoon and evening hours, but necessarily must terminate in time for trainees to return home on the reduced evening public transportation schedules. This is particularly significant in programing Manpower Development Training Act courses for women trainees.

Question 6. Are there still States in which people who are eligible for the Manpower Development and Training Act training but not for allowances, and who are also eligible for unemployment compensation payments, are cut off from receiving unemployment compensation benefits if they enroll in a Manpower Development and Training Act program? i.e., Is there any problem of significance of people being inhibited from entering a Manpower Development and Training Act program because they must sacrifice unemployment compensation

benefits without receiving the Manpower Development and Training Act allowances in return?

Answer. The following 28 States do not permit unemployment insurance claimants to take training and continue to receive unemployment insurance:

Alabama	Nevada
Arizona	New Hampshire
Colorado	New Jersey
Florida	New Mexico
Georgia	North Carolina
Indiana	Oklahoma
Iowa	Oregon
Kansas	South Carolina
Kentucky	South Dakota
Louisiana	Tennessee
Maine	Texas
Minnesota	Virginia
Mississippi	Wisconsin
Montana	Wyoming

In these 28 States, if individuals who are not eligible for the Manpower Development and Training Act allowances enter training, they have to give up their unemployment compensation without an alternative source of income. We do not have any data on the extent to which unemployment insurance recipients in these States not eligible for the Manpower Development and Training Act have chosen to continue to claim unemployment insurance rather than to accept training. We do not know that ineligibility for an allowance is a significant reason for failure to accept training.

Question 9. Likewise, have there been any trends in the past 6 months to a year in (1) average age, or age distribution, of trainees in the programs? (2) average education of trainees? Are we training relatively more or less high school graduates than originally?

Answer. (1) The direction of the institutional program between calendar years 1963 and 1964 has been toward training more youth (21 years and under) and slightly more older workers (45 years and over), with a corresponding drop in the middle-age group (22 to 44 years).

In the OJT program, there was no change in the proportion of youth enrolled between the 2 years, a slight decline in older workers, and a proportionately slight gain in the middle-age group. (See table 1 attached.)

TABLE 1.—*Percent distribution by age of enrollees in Manpower Development and Training Act programs*

INSTITUTIONAL TRAINING PROGRAMS

Age group	Calendar year	
	1963	1964
Total	100	100
Under 19 years	9	14
19 to 21 years	21	23
22 to 34 years	41	35
35 to 44 years	19	17
45 years and over	10	11

ON-THE-JOB TRAINING PROGRAMS

Age group	Calendar year	
	1963	1964
Total	100	100
Under 19 years	9	9
19 to 21 years	22	22
22 to 34 years	43	47
35 to 44 years	16	14
45 years age and over	10	8

(2) There was a significant shift in the institutional program between calendar years 1963 and 1964 toward training persons with an eighth-grade education or less and proportionately fewer persons with 12 or more years of schooling.

In the OJT program, there was a decline in the proportion of persons with 9 to 11 years of schooling and a proportionate increase in training those with more than a high school education. (See table 2 attached.)

TABLE 2.—*Percent distribution by level of education of enrollees in Manpower Development and Training Act programs*

INSTITUTIONAL TRAINING PROGRAM

Highest grade completed	Calendar year	
	1963	1964
Total	100	100
Less than 8th grade	3	7
8th grade	6	9
9th to 11th grade	30	31
12th grade	51	46
Over 12th grade	10	7

ON-THE-JOB TRAINING PROGRAMS

Highest grade completed	Calendar year	
	1963	1964
Total	100	100
Less than 8th grade	5	7
8th grade	9	7
9th to 11th grade	29	25
12th grade	47	47
Over 12th grade	10	14

Question 11. Of those receiving allowances, which percent are "youth?" Did the percentage raise quickly to the maximum allowable of 25 percent, soon after the 1963 amendments, and stay near the maximum?

Answer. For the 6-month period July–December 1964, an average of approximately 20 percent of those receiving training allowances were youth. The proportion varied from month to month as indicated below:

July	19.9	October	19.6
August	17.9	November	20.9
September	25.5	December	18.2

Question 12. Of the total dollar value of training allowances being paid, what proportion is constituted by the allowances to "youths," at $20 per week?

Answer. For the 6-month period July–December 1964, the average youth allowance was an estimated $17, not $20. Youth allowances estimated on that basis totaled $2,457,520 or 9.4 percent of total allowance payments.

Question 15. What has been the dropout percentage? To what extent does the percentage of dropouts rise, for the longer programs?

Answer. The dropout rate for the institutional program held at near 27 percent from the beginning of the program through June 30, 1964.

The percentage of dropouts rises by about 10 percentages points (to about 37 percent) for training programs of 51 weeks or longer.

An in-depth survey on dropouts is currently winding up its research phase and results should be available sometimes in April.

Question 16. Has there been any trend in the percentage of dropouts? If so, why?

Answer. The trend has been for dropouts to increase from the earlier days of the program through mid-1964. For example, in the 6-month period January–June 1964, the rate was 30 percent as contrasted with 22 percent for the 6-month period January–June 1963, and 24 percent for the entire calendar year 1963.

Several reasons have been advanced for the increase in the percentage of dropouts. One major reason given is that the "student body" in the second year of program operations was made up of persons with greater training "disadvantages"—less education, more youth, less work experience, etc.—and therefore presumably with less "stick-to-itiveness" and motivation. Other reasons given are related to financial considerations: In areas of improving job opportunities, many trainees leave their courses to seek and/or to secure jobs. In areas where the training allowances (and thus the unemployment insurance payments) are low, despite the $10 augmentation allowable under the 1963 Manpower Development and Training Act amendments, heads of families are sometimes compelled to drop out of training to take full-time employment in order to "make ends meet."

Question 17. (*a*). What data exist showing the proportion of those initially screened (having shown some interest in training) who are found acceptable for entry into programs?

Answer. Of the first 1 million persons initially screened for Manpower Development and Training Act training, covering the period June 1962–December 1964, 200,000 were referred to training—a ratio of 1 person referred to training for each 5 persons screened.

The ratio of persons screened to those referred to training has been decreasing. Of the first 100,000 persons screened, from June through December 1962, there was only 1 referred to training for each 12 screened. For the period June 1962–December 1963, 466,000 persons were screened and 78,000 referred to training—1 referred for each 6 screened.

Question 17 (*b*). Does such data exist, in readily accessible form, for the longer programs instilling higher skills, versus the shorter ones? To illustrate:

Out of 1,000 people screened, how many would be found, on the average, suitable for training? And of those, how many would be actually placed in programs?

Answer. Data are not available to relate the number screened to the number referred in terms of length of program or type of skill.

Neither is it possible to say how many of those screened were "suitable for training," because no such general determination is made, or can be made. Few if any of those interested in training would not benefit economically from training which was appropriately related to their background and capabilities. The determination as to whether an individual will be referred to training involves an almost infinite variety of circumstances, including not only the kind of training available but also such things as the hours and location of the available training in relation to the claimant's available means of transportation or personal circumstances. For example, one Pittsburgh training class runs to 12 midnight, while the last bus in the area leaves at 10 p.m. As a result, people could be referred to this class only if they had private transportation (car, bicycle, etc.) or lived within walking distance of the training facility.

Question 18. A followup question to the above (17 (*a*) and (*b*)):

What data exist on the number of people who seem qualified but have to be turned away because Manpower Development and Training Act training programs can only accommodate a limited number?

Answer. We have no data on the number of people who seem qualified but who cannot be trained because only a limited number can be accommodated. We know that there are some projects that were never fully developed because of lack of funds or of training facilities. In other cases, lack of funds has caused the number of trainees authorized for a project to be reduced below the requested number, which was based on an estimate of the number of unemployed and underemployed persons who would accept such training if it were available. On the other hand, when the supply of potential trainees has proved to be considerably in excess of that expected to be available and there appeared to be job opportunities available to them upon completion of training, additional sections have been requested and approved to accommodate additional trainees.

Question 19. Of those entering programs, what proportion were fully unemployed at that time? Partially unemployed? What proportion gave up employment, at wages higher that the training allowance, in order to enter programs? (i.e., to what extent have workers been actually quitting jobs in order to enter such programs?)

Answer. A very high proportion (90 percent) of all Manpower Development and Training Act trainees enrolled in institutional programs were totally unemployed at time of enrollment. The remaining 10 percent were working either on short hours, substantially under their potential skill level, or were low-income family farmworkers. The proportion of Manpower Development and Training Act enrollees in the second category—the so-called underemployed—is considerably higher for on-the-job training programs (36 percent) and correspondingly smaller for the totally unemployed.

We have no evidence that any measurable number of persons have given up jobs paying higher wages than the training allowances in order to take Manpower Development and Training Act training.

Question 20. Has there been a trend in the proportion of trainees being drawn from the ranks of the fully unemployed? If so, why?

Answer. For both the institutional program and the on-the-job training program, the proportion of persons who were fully unemployed at time of enrollment remained virtually unchanged between calendar year 1963 and 1964. (See table on employment status at time of enrollment in training below.)

Percent distribution of employment status of Manpower Development and Training Act trainees at time of enrollment, calendar years 1963 and 1964

Employment status	Institutional		On the job	
	1963	1964	1963	1964
Total	100	100	100	100
Unemployed	90	90	65	64
Underemployed	9	7	34	36
Family farmworkers	1	3	1	(1)

[1] Less than 0.5 of 1 percent.

(The following item has been submitted for the record by Chairman Holland, and consists of excerpts from a paper presented at the December 1964 meeting of the American Economic Association-Industrial Relations Research Association.)

A Benefit-Cost Analysis of Manpower Retraining

(By Gerald G. Somers, University of Wisconsin, and Ernst W. Stromsdorfer, University of Tennessee)

Government-sponsored retraining of the unemployed may be viewed as the major development in U.S. labor market policies of the 1960's. In addition to recently enacted State and local programs, retraining has been assigned a central role in such Federal legislation as the Area Redevelopment Act (1961), the Manpower Development and Training Act (1962), the Trade Expansion Act (1962), amendments to the vocational education system and to the Manpower Development and Training Act (1963), and the antipoverty program of 1964.

The emphasis on retraining has been prompted primarily by the relatively high rates of unemployment in the American economy during the past 7 years. However, new skills to fill expanding jobs are even more important in an economy moving toward full employment. This need, together with the growing interest in general and vocational education, insures that the emphasis on Government-sponsored retraining is likely to increase rather than diminish in the coming years.

In view of the hundreds of millions of dollars now being allocated to these retraining programs, an evaluation of the investment is timely. While recognizing the political, social, and psychological benefits which may result from training the unemployed, this paper stresses questions which are more familiar to the economist: What are the gains in employment and earnings relative to the direct costs and opportunity costs of retraining? How do trainees fare in comparison with nontrainees? How long does it take the trainee and society to recoup the cost of retraining? What are the returns on the retraining investment?

Some methodological considerations

Although extensive national data on the Area Redevelopment Act and Manpower Development and Training Act trainees have been published, such data do not lend themselves to the detailed evaluation called for here. National data on the employment experience of trainees are classified by personal characteristics and other variables, but no basis is provided for comparisons with control groups of nontrainees; nor is information available on the income of the trainees before, during, or after their training.

Because of these limitations in the national data, primary emphasis in this paper is placed on our surveys of trainees and nontrainees in West Virginia. Five groups of workers were interviewed in 1962 and were followed up by mail questionnaires and additional interviews in 1963 and 1964. These groups were composed of (*a*) 501 trainees who took Area Redevelopment Act courses or area vocational training program (AVP) courses set up for training the unemployed under West Virginia State legislation; (*b*) 233 "dropouts" who withdrew from their courses before completion; (*c*) 65 who did not report for training after having been accepted (DNR's); (*d*) 127 "rejects" whose applications for training were not accepted; and (*e*) 453 "nontrainees" selected by random methods from those in the local employment service files. The nontrainees, our basis control group, were workers who did not apply for training even though they had experienced unemployment immediately prior to that time when most of the trainees entered their courses.

The respondents were located in three areas typical of depressed employment conditions in West Virginia; Charleston-Huntington, an urban-industrial area; McDowell County, predominently coal mining; and Harrison-Monongalia Counties, a mixed mining, industrial, and agricultural area. All trainees in selected courses in these areas were interviewed. The courses were typical of course offerings in West Virginia and the national retraining programs. The included auto repair, construction trades, electrical maintenance, machine tool operators, riveters, welders; and for women, nurses aids, typists-stenographers, and waitresses.

In analyzing the employment gains of the trainees, comparisons were made with each of the four other groups of respondents. In determining the monetary gains of the trainees, the nontrainees were used as the control group. In particular, the opportunity costs incurred during training and the gains in income attributable to retraining were derived from comparisons with the income of the nontrainees during and after the training period.

At the outset, a few major limitations should be noted:

(1) The samples are small, cover only particular courses in a few selected areas of the country, and in a few instances are insufficient to provide meaningful results within cross-classifications even for these areas.

(2) Because of the nature of the selection of the control groups, they cannot be said to have the same personal characteristics as the trainees. Although the direction of bias is clear in the case of the "rejects," it is not so clear in comparisons with "dropouts," DNR's, and nontrainees. Some of these workers lacked ambition and motivation, but others felt that their qualifications and opportunities were good enough to make training unnecessary. At any rate, an effort is made to control for some of these personal differences in the analyses which follow.

(3) There are advantages and disadvantages in the use of the nontrainees' experience as a basis for determining the opportunity cost of training and as a basis for determining the income gain derived by the trainees from their training. The obvious alternative would be to base these calculations on comparisons with the earnings experience of the trainees themselves prior to their courses. This would reduce the disadvantages resulting from the differing personal characteristics of the trainees and the nontrainees. But our analyses have indicated that the average prior earnings of the trainees vary markedly with the time period selected. Many worked in high-paying coal mining occupations for years before the period of unemployment which induced them to enroll for training. During the period of unemployment just prior to their training, on the other hand, the earnings (other than government payments) of these workers were zero or close to zero. Moreover, changes occurred in the labor market situation in the years following completion of their courses. These changes would obscure the advantages derived from training if the calculation were based on a comparison of the trainees' pretraining and posttraining experience.

(4) Since the trainees and nontrainees may have been competing for scarce jobs in the posttraining period, gains derived by the trainees may have been at the expense of the nontrainees. It was not possible to determine the degree of such interdependence. To the extent that it occurred, the benefits enjoyed by the trainees may not constitute a net employment gain for society as a whole.

(5) Finally, it has not been possible to distinguish the effects of the specialized skill acquired in the training course from other advantages derived from completion of the course. Even when they were not hired in occupations for

which they were trained, the training may have had a crucial influence on the trainees' future employment success. They gained some versatility, and many employers preferred them because these workers had demonstrated sufficient ambition and sense of discipline to enter and complete a training course. Therefore, the following discussion is couched in terms of the benefit of the overall training process rather than the benefits derived from the acquisition of a particular skill.

THE BENEFITS OF RETRAINING

The gains in employment

National reports on the achievements of the Area Development Act and Manpower Development and Training Act retraining place almost exclusive stress on the gains in employment. These reports indicate that between 70 and 75 percent of the institutional trainees have found jobs, almost all in training-related occupations. Since almost 90 percent of the Manpower Development and Training Act trainees were fully unemployed just prior to their training, and over 40 percent had been unemployed for more than 15 weeks, Manpower Development and Training Act officials naturally take pride in this accomplishment. Moreover, virtually all of the workers placed in on-the-job training under the Manpower Development and Training Act auspices, have been employed.

Although it may be presumed that training played an important role in the employment success of these workers, definitive proof of such a role is lacking in the national reports. We know that the trainees were younger and better educated than the average of the unemployed; and a study of the Manpower Development and Training Act placements in 1963 indicates that the posttraining employment rate declined progressively with increasing age and greater length of previous unemployment. Furthermore, the national data provide no time period analysis and no comparisons with nontrainee control groups.

A lengthier followup and comparisons with control groups have been incorporated in analyses of the more limited West Virginia sample. Efforts to isolate the employment effects of the retraining variable have also been made in cross classifications within common age, sex, education, and previous unemployment categories, and by means of regression analysis including these and other variables.

Some of the principal findings on the effects of retraining on employment in the West Virginia surveys are as follows:

(1) In the summer of 1962, 60 percent of the "trainees" were employed, compared with 56 percent of the "dropouts" and approximately one-third of the rejects, DNR's and nontrainees.

(2) One year later, employment rates had increased for all groups, with a trainee rate of about 71 percent and a continued, albeit narrower, gap between trainees and the nontrainees, rejects, and DNR's.

(3) About 12 percent of those who had completed training were not in the labor force in the summer of 1962. The proportion was roughly similar among nontrainees, rejects, and DNR's. In all groups, women had much higher rates of labor force withdrawal than men.

(4) In both 1962 and 1963, the trainees had a higher rate of employment than nontrainees, rejects, and DNR's in the same age category, in the same education category, and in the same previous labor force experience category.

* * * * * * *

The gain in earnings

Since Government-sponsored retraining was primarily prompted by excessive unemployment, it is understandable that the employment effects of retraining have considerable political significance and that Government reports give major emphasis to employment gains. But economists are equally concerned with the effects on earnings. Comparisons of earnings of those who completed training with those of nontrainees reveal that the trainees experienced significant gains.

Three different posttraining time periods were used to measure the average monthly gains or losses in earnings of white workers who completed their training in 1962. First, an 18-month period following the quarter in which training ended in 1962 was used to maximize the number of observations for a single time period. Next, the maximum time period available after the end of retraining—18, 21 or 24 months depending on the quarter in which training ended—was used to maximize the length of time in which the impact of retraining could be

felt. Finally, an estimation was made of earnings differentials in the first quarter of 1964, the last available quarter for which data were available at the time of writing. In this period, the greatest time lapse after retraining permitted observation of the labor force experience of our sample following the transition, readjustment and, in some cases, migration of the trainees.

Differential earnings were calculated on the basis of the individual and societal concepts. Individual earnings were computed net of income taxes; societal earnings, gross. No adjustment was made for social security or State or local taxes, thus biasing the societal estimations downward and individual estimations upward. For the individual estimation, the average monthly market wages received just prior to a voluntary quitting of the civilian labor force was imputed for that time when the worker was not in the labor force. But for society, income was set at zero for that time period when a worker was not in the labor force. These two interpretations of the voluntary departure from the labor force probably set an upper and lower limit on the measure of earnings of those who withdrew from the labor force. Doubtless, the true measure lies somewhere in between.

As is seen in table II, male trainees earned substantially more per month than nontrainees in each of the estimation periods; and societal estimates were higher than individual estimates. Societal estimates were also higher for females, but the advantage of female trainees over nontrainees was relatively small. Given the 18-month posttraining estimation period, the average monthly gain of the male trainees over their nontrainee counterparts was $61 based on individual concepts and $69 based on societal concepts. For the same period, the average monthly gain is only $$ per month for females, given individual measurement concepts, and $15 based on societal concepts.

As time periods further from the end of training are used, the earnings differentials enjoyed by male trainees increase, and those for females decrease. In the first quarter of 1964, the differential for male trainees reached $74 to $94, but female trainees received no differential on the basis of individual estimation and only $11 on a societal basis. Additional analysis indicates that the sociodemographic characteristics of the female trainees compared with their nontrainee counterparts is partly responsible for this decrease. Briefly, the younger female trainees had, on the average more children under 6, less labor market experience, a much higher proportion reporting no regular occupation, and fewer economic compulsions to work based on an inspection of their average yearly family earnings and indebtedness.

TABLE II.—*Average monthly differential in earnings of trainees vis-a-vis nontrainees for selected time periods after the end of training, individual and societal estimation*

[In dollars]

Sex	18-month posttraining period		Maximum posttraining period [1]		1st quarter, 1964	
	Individual [2] estimation	Societal [3] estimation	Individual estimation	Societal estimation	Individual estimation	Societal estimation
Male:						
Trainee N—164	61	69	65	76	74	94
Nontrainee N—188						
Female:						
Trainee N—95	8	15	6	11	0	11
Nontrainee N—60						

[1] This figure is a weighted average for 3 groups, those having a maximum of 18, 21, and 24 months, posttraining labor market experience.

[2] Net of taxes. Assumes those workers who voluntarily leave the labor force earn in imputed income during that time as much as they earned on the average in that job immediately preceding the time when they voluntarily left the labor force.

[3] Includes Federal income taxes but no State taxes or social security. Zero earnings are imputed for that time when a worker is voluntarily out of the labor force.

When comparisons are made within broad age and education categories, the findings reported above for the sample as a whole generally continue to prevail. One exception is found among older men (35 to 54 years of age) with 12 years of education. In this category, nontrainees enjoy a slight earnings differential

relative to trainees. An earnings advantage is also found among female nontrainees under 35 years of age. In the other common age-sex-education cells, trainees receive significant gains in earnings relative to nontrainees. Unfortunately, the small sample size of these cells and the breadth of the age-education categories preclude conclusive findings based on controls for personal characteristics.

COSTS AND RETURNS

As has been noted in the discussion of methodological considerations, the differential in posttraining earnings enjoyed by the trainees, like their advantage in employment, cannot all be attributed to their retraining. However, given the controls attempted in this survey, it is reasonable to assume that their retraining played some significant role in providing the noted advantages of trainees relative to nontrainees. Based on this assumption, it is instructive to relate income gains to training costs and estimate returns on the retraining investment.

Costs of retraining

Generalizations concerning training costs are hazardous because of the wide variations in costs depending on the sponsoring agency, length of course, occupational content, training facilities, trainee qualifications, provision of allowances, and concepts concerning opportunity costs. The average cost per trainee reported for those in institutional programs of the Manpower Development and Training Act is $1,300. For those in on-the-job training programs, the per trainee cost is approximately one-fourth that amount. These include the direct costs of instruction and facilities as well as training allowances; but they exclude opportunity costs.

The direct costs and allowances in the West Virginia ARA and AVP programs were considerably lower than those under the Manpower Development and Training Act. The courses were generally of shorter duration. Training allowances for ARA trainees, based on average State unemployment compensation, were lower than the national average; and no provision for training allowances were included in the State AVP training. For the trainees included in the benefit-cost analysis, the average direct costs and training allowances for men totaled $502 and for women $428. These costs were incurred by society rather than by the trainees.

The opportunity costs of retraining—the income foregone during the training course—are less readily determined. Yet, these are the most important costs for the individual trainee. As has been noted above, the determination of what the trainees could have earned during their training period is based on the earnings of a comparable group (in age, sex, race, and education) of nontrainees. We have assumed that, for the individual, social payments would have been no larger if the person did not take the program. Social costs include wages lost, direct costs, and subsistence allowances. For the pay-back analysis we assume no savings to society in the posttraining period because of reduced social payments to those who complete training. We do account for this in our capital value calculations, however.

For society, during the period of the survey, the total opportunity costs for males were estimated to be $274, and for females $122, bringing total training costs to an average of $776 for each male trainee and $550 for each female trainee. The private costs to the individual trainee, wherein the opportunity costs included imputed earnings for voluntary not-in-the-labor-force status, averaged $300 for males and $145 for females.

The payback period

Table III relates gains in market earnings (see table II) to the costs incurred by the trainees by means of an average payback period expressed in months. The payback period is the length of time required for the differential gains in posttraining earnings to offset the total costs of retraining. Generally speaking, the estimated payback periods are short. They are shorter for the individual than for societal concepts and much shorter for males than for females. For males, given the 18-month posttraining estimation period, we have a payback period of 4.9 months based on individual concepts and 11.2 months based on societal concepts. For females, the figures are 18.1 and 36.2 months, respectively. Also, the payback period gets shorter for males and longer for females as time periods further removed from the end of training are used to measure earnings differentials. Only for females does the payback period exceed the earnings-estimation periods, thereby calling for the assumption that the earnings advantage enjoyed during the estimation period continues unchanged until the conclusion of the payback period.

TABLE III.—*Average pay-back period in months for trainees* [1]

Benefit estimation periods	Individual			Society		
	Average payback period in months			Average payback period in months		
	Male	Female	Average	Male	Female	Average
18-month posttraining period	4.9	18.1	5.8	11.2	10.2	8.3
Maximum posttraining period	4.6	24.2	5.6	10.2	50.0	13.3
1st quarter, 1964 period	4.1	(2)	5.2	8.3	50.0	10.9

[1] The payback period represents the total costs divided by total monthly benefits for the group in question.
[2] Zero earnings benefits implying that the investment costs will never be recouped.

Net expected capital value increases

Assuming a continuance of the trainee's earnings differential for the rest of his working life, then it is possible to appraise the investment in training in terms of its contribution to the increase in the worker's capital value. Here, average monthly earnings gains along with data on changes in posttraining social income are related to costs and the training period by means of a chosen rate of discount, thus estimating the present value of the net stream of future benefits to the trainee.

The net expected capital increases are consistently greater for societal vis-a-vis individual estimation concepts. For the 18-month posttraining estimation period the net average expected lifetime capital increase for each trainee is $3,150, given a 4-percent discount and zero growth rate in average annual earnings. Under societal concepts, the corresponding figure is $6,640, about twice as great. For these same conditions, the total gain is for the members of our sample $815,800 and $1,720,700 for the respective individual and societal concepts. But at the 10-percent discount rate the gains are much more modest and, effectively, are cut in half. Given the 18-month period above, 10-percent discount and zero growth rate, the average net expected lifetime capital increase is $1,600 and $3,230 for the respective individual and societal concepts; however, assuming a 2-percent growth rate increases the above values by about 20 to 25 percent in every case. For instance, the total expected lifetime gains at the 4-percent discount using societal concepts increase from $1,720,700 to $2,327,500 while the average increases from $6,640 to $8,990 per worker over his lifetime.

Given the same initial outlay and discount rate, this type of evaluation of the returns to training is useful in comparing retraining with other alternative investments in labor markets or in evaluating other types of training.

CONCLUSIONS

Government-sponsored retraining of the unemployed began to emerge as a foremost Federal labor market policy in 1961. The infancy of the movement makes evaluation difficult, but the formative years are also the most important for an objective appraisal. The Area Redevelopment Act and AVP programs in West Virginia, which are evaluated in this paper, were among the first to be initiated in the current move to retraining in the United States.

The West Virginia surveys indicate that the trainees enjoyed notable advantages in employment and earnings relative to comparable nontrainees. This was especially true for males, and less so for females. For the average male trainee, the costs of retraining were qnickly repaid in increased earnings; and high-capital values and rates of return followed the retraining investment, for the trainee and for society.

Three obvious questions arise: First, can the demonstrable benefits employed by the trainees be wholly attributed to their retraining? Since the control groups of nontrainees were not otherwise identical with the trainees, and since many special efforts were made to place the trainees, other nontraining factors undoubtedly intervened. The limitations of the survey have been discussed in detail. However, careful efforts have been made to control these other variables whenever possible; and the preponderance of various types of evidence pointing in the same direction leads to the view that the retraining experience played an important role in the relative posttraining success of these workers.

Second, can the favorable West Virginia experience be generalized for the Nation as a whole, for the Manpower Development and Training Act, and other programs? Because of the peculiarities of the West Virginia situation, there are obvious hazards involved. At the same time, the background of the trainees was similar to that of many other displaced and unemployed workers; and the courses studied were typical of those established elsewhere. If the training costs were unusually low, so were the employment opportunities unusually meager in the depressed West Virginia communities. Certainly, there is little evidence in national data or studies in other areas which would lead to the conclusion that the favorable West Virginia experience was unique.

Finally, is retraining of the unemployed a sound social investment? In view of the small number of trainees relative to the number of unemployed in West Virginia and the Nation as a whole, it is clear that retraining is only a partial answer to the problem of unemployment. But individual trainees have obviously benefited economically from retraining, quite aside from any social and psychological gain. Additions have been made to the Nation's skills and income. Even if it could be shown that retrained workers merely find employment that might otherwise go to the untrained, there are important political, economic, cultural, and social values in the demonstration that individual workers can gain through retraining.

The dollar-and-cent focus of this evaluation has been necessarily limited; but even within this narrow framework, there is evidence that the benefits and potential benefits of manpower retraining substantially outweigh the costs.

(The following supplementary statements, letters, and other material have been submitted for inclusion in the record:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, March 3, 1965.

Hon. ELMER J. HOLLAND,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HOLLAND: This is in response to your February 12 letter in which you inquire about projects conducted under the Manpower Development and Training Act for the training of mentally retarded individuals.

A number of Manpower Development and Training Act projects have been developed (*a*) to train mentally retarded individuals and (*b*) to train staff personnel who work with mentally retarded children and adults.

Under the Manpower Development and Training Act experimental and demonstration program, 21 projects have been developed in cooperation with the National Association for Retarded Children, Inc. So far, six of these projects have been approved and funded, four for the direct training of the retarded, and two for the training of staff personnel. Three additional projects are currently under review, and developmental work leading to final project proposals is continuing for the 12 others.

We are enclosing a copy of the formal proposal submitted by the national association in December 1964. Project Nos. 1, 2, 5, 18, 20, and 21 (see table of contents) have been funded. Project Nos. 3, 6, and 12 are in final stages of development. A detailed description of each of the 21 projects—their aims and proposed methods of implementation—are covered in this booklet.

Increased emphasis has been placed on development of on-the-job training projects to aid the mentally retarded. Examples of these projects which have been approved include:

A project for 50 young people between the ages of 17 and 21 to be trained under contract with the Retarded Children's Society of Dade County, Fla., as meat preparers, handlers, and wrappers using facilities of the Homestead Air Force Base.

Training is being conducted at the Haven School (also in Miami) in janitorial and food service occupations to prepare for jobs at the school itself.

International Business Machines Corp. is working with the Human Resources Foundation on Long Island, N.Y., in an experimental program to teach electric typewriting to retarted and disabled youths.

A program in Vineland, N.J., sponsored by the New Jersey Association for Retarted Children, is training mentally retarted youths as service station attendants.

A project in Cleveland, Ohio, sponsored by Vocational Guidance and Rehabilitation Service, is training 30 handicapped persons, including the retarted, as car washers, polishers, and waxers.

A half dozen other OPT projects scattered from the State of Washington to New Jersey have been approved to train workers in such occupations as group charge attendants, institutional attendants, and psychiatric technicians so that they, in turn, may serve and work with the retarded. A number of other such projects are under development.

Sincerely,

SAMUEL V. MERRICK,
Special Assistant for Legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
March 3, 1965.

HON. ELMER J. HOLLAND,
Chairman, Select Subcommittee on Labor,
U.S. House of Representatives, Washington, D.C.

DEAR MR. HOLLAND: Thank you for your letter of February 12 inquiring as to projects under the Manpower Development and Training Act which involve training of the mentally retarded.

Through an informal agreement with the Office of Manpower, Automation, and Training, U.S. Department of Labor, the Vocational Rehabilitation Administration of this Department has been reviewing and commenting on applications for Manpower Development and Training Act projects which entail training of disabled persons. In the past year and a half, 10 such applications have been reviewed by the Vocational Rehabilitation Administration which provide special training to the mentally retarded. The attached sheet indicates the project title and applicant agency for each of these 10 projects.

In their comments to the Office of Manpower, Automation, and Training. the Vocational Rehabilitation Administration shares its experience in working with the physically and mentally disabled. Sometimes the comments take the form of urging participation in a given project by the State vocational rehabilitation agency. Sometimes attention is called to a situation in which there is a possibility of duplication of function between the proposed project activity and that of an existing program for the disabled. Other comments are of a more technical nature.

Generally this procedure has worked well. There is evidence that the Department of Labor takes these comments seriously since, in a number of instances, project proposals have been modified to incorporate vocational rehabilitation objectives. There can be no doubt that training opportunities for the disabled, and especially for the mentally retarded, have been significantly expanded as a result of these Manpower Development and Training Act projects. We see this as an example of good interdepartmental cooperation in the administration of a major Government program.

I trust this information will be of assistance to you.

Sincerely yours,

IVAN A. NESTINGEN,
Under Secretary.

MANPOWER DEVELOPMENT AND TRAINING ACT PROJECTS INVOLVING THE MENTALLY RETARDED REVIEWED BY THE VOCATIONAL REHABILITATION ADMINISTRATION SINCE NOVEMBER 1963

1. On-the-job training of manpower for mentally retarded and brain injured children (Project Meditor) ; Pine Hill Center, Rockville, Md.
2. On-the-job training in the development and training of skills for employment of the mentally retarded in the Tidewater area; Tidewater Vocational Center, Norfolk, Va.
3. The training of mentally retarded and severely physically disabled youths on commercial and industrial skills; Human Resources Foundation Abilitities, Inc., Albertson, Long Island, N.Y.
4. On-the-job training project to train educable mentally retarded young adult males in the occupations of meat cutting, meat wrapper, and meat handler; the Retarded Children's Society of Dade County, Fla.
5. Project to improve the transition from school to job for mentally retarded; Vocational Guidance and Rehabilitation Services, Cleveland, Ohio.

6. No title; purpose is a 52-week training course in vocations to help retarded become more semiindependent; Children's Home for Mentally Retarded Children and Adults, Inc., San Mateo, Calif.

7. Plan to evaluate and increase employability of unemployed youth misclassified "mentally retarded"; Vocational Rehabilitation Center of Allegheny County, Pittsburgh, Pa.

8. An experimental demonstration project for the training of child-care workers in the field of mental retardation; Newark State College, Union, N.J.

9. A survey of the employment status of mentally retarded adults in New York; Association for the Help of Retarded Children, New York chapter, New York, N.Y.

10. Demonstration training project for retarded children; Maricopa County Council for Retarded Children, Phoenix, Ariz.

STATEMENT BY U.S. REPRESENTATIVE EDWARD J. PATTEN SUPPORTING PROPOSED AMENDMENTS TO MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. Chairman and members of the House Select Subcommittee on Labor, I support H.R. 4257 and urge this subcommittee to report it.

It is evident that Manpower Development and Training Act has been a success. Therefore, I recommend that it be made permanent. It has enabled many of the unemployed to acquire special skills, gain increased self-confidence and also strengthen the economy of the area. They are now important assets instead of being considered neglected liabilities.

The Manpower Development and Training Act program has been a definite success in Middlesex County. Since the program's inception a few years ago, 332 men and women have completed courses in the county, with about 75 percent eventually placed in the fields they were trained for. Besides the 332, 141 are presently being trained, bringing the total to 473—persons with a brighter and more secure future.

Some of the courses of training the unemployed or underemployed have completed—or in the process of completing in Middlesex County—include such diverse positions as welders; automobile mechanics; chemical laboratory assistants electronic testers; engine lathe operators; milling machine operators; sewing machine operators; and transit men.

Please include this statement as part of the subcommittee's official record.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Select Committee on Labor,
House of Representatives, Washington, D.C.

DEAR COLLEAGUE: I should like to bring to your attention—during committee consideration of H.R. 4257 and H.R. 4271—the need for special consideration in behalf of Alaska trainees under the Manpower Development and Training Act of 1962. Specifically, I refer to the uniform rate of transportation and subsistence under present law, which is proving to be a severe hardship to my constituents.

I am enclosing a copy of a letter from the Manpower Advisory Committee of Anchorage, which contains a comprehensive discussion of the existing situation, and of the monetary problems faced by Alaska trainees, whose financial status, at best, is difficult. I urge that the pending legislation be amended appropriately so that Alaskans can receive the full benefit of the Manpower Development and Training Act—so that they will not receive value on the one hand and be penalized on the other.

With deep appreciation for your consideration of this vital matter—and with best wishes—I am,

Sincerely,

RALPH J. RIVERS,
Member of Congress.

MANPOWER ADVISORY COMMITTEE,
Anchorage, Alaska, February 9, 1965.

Hon. RALPH RIVERS,
House of Representatives,
Washington, D.C.

DEAR SIR: In the course of our deliberation in planning and scheduling various courses under the Manpower Development and Training Act of 1962, it has come to the attention of this committee that Alaskan applicants and participants suffer a distinct disadvantage under certain provisions of the act which set a uniform rate of transportation and subsistence allowances for the whole United States. As you know, the act provides only 10 cents per mile on transportation and $5 per day for subsistence. Since this program can be and is especially and uniquely beneficial for natives and other residents of the rural areas of Alaska where there is so much unemployment, this committe has urged their participation in the manpower program to the fullest extent possible. Unfortunately 10 cents per mile when viewed in connection with air travel costs and mileage is completely unrealistic. For example, the man from Togiak who entered the truck-tractor training course traveled 440 miles by air at a cost of $67.50. Manpower Development and Training Act will reimburse him $44. Since his annual income was less than $2,000 last year and in addition he had lost his job and home as a result of a tidal wave at Togiak that wiped out the cannery on which he had been the watchman, he felt it worth the gamble to borrow that extra $23.50 and come in for the training in the hope that he can work on a construction job this summer in the Dillingham area after learning to operate a "Uke" or large dump truck. Each day that he is in training he will receive $5 per day to pay for his room and board. Since even the cheapest room will cost $2.50 to $3 per night, it is apparent that $5 is a very meager sum. Since he is a married man with children he will also receive $44 per week as a training allowance, of which he will probably send the greatest amount home. If he had been single, the $5 would have been his entire allotment, and patently inadequate.

At our request the State employment office has consistently tried to work out cooperative arrangements with other agencies such as the Bureau of Indian Affairs, Office of Vocational Rehabilitation, and Alaska Department of Welfare. While this has resulted in supportive assistance for a limited number of trainees, these agencies too have their restrictions and the total number who have been able to take advantage of the opportunities offered under Manpower Development and Training Act has been very limited.

Cognizant that the present authorization will expire June 30, 1965, and that certainly this is one of the programs that the President will be pushing as part of his attack upon poverty, it is the hope of this Committee that you, as one of our congressional representatives in Washington, D.C., will attempt to get some special consideration of Alaska's particular problems with reference both to travel allowances and subsistence allowances. It is the unanimous opinion of the Committee that these particular problems must be resolved in one way or another for the program to do the job here in Alaska that needs to be done.

It would be our suggestion that if no direct action within the law by amendment or special appropriation can be achieved, that you then work to provide funds or work out special supportive assistance from the Bureau of Indian Affairs, Department of Health and Welfare, or the Office of Vocational Rehabilitation. From the extent of the progress made this winter in working out arrangements on the local level, we believe that all three of these agencies are appreciative of the opportunities available to their clients through manpower training.

Any aid or cooperation or suggestions that you have which would solve the particular problems faced here in Alaska as the result of distance and particular cost would be greatly appreciated by this Committee. We sincerely believe that the manpower training programs afford an opportunity to break out of the pattern of unemployment and should be extended to as many of the citizens of our State as possible. For any additional information, aid, or assistance in solving this problem that we can give you, please call on us.

Very truly yours,

VIRGIL N. DUPUIS,
Chairman, Local Advisory Committee.

Committee members: Gana Worgum, Robert Powell, Eileen Marshall, Willard Bowman, Clarence Coleman, George M. Sullivan, James W. Moody, Nick C. Gray, Fred M. Selkregg, Jr., Agnes Elliot, and Norman Schwalb.

STATE OF MAINE,
DEPARTMENT OF EDUCATION,
Augusta, February 11, 1965.

Mr. WILLIAM HATHAWAY,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE HATHAWAY: We are most interested in the proposed amendments to the Manpower Act (H.R. 4357) since the Manpower Development and Training Act program has done, and is doing much for Maine's unemployed and for Maine industry. We have been much concerned because it appeared that Maine could take maximum advantage of the Manpower Act during the next 2 years only if the Maine Legislature provided in excess of $1 million for matching purposes.

It would be a big step in the right direction if the matching requirement was reduced to 10 percent, in keeping with many of the provisions of the Economic Opportunity Act, as is proposed in H.R. 4357. However, since training allowances are involved and "in kind" matching for such allowances are virtually impossible, the final result would be a 20-percent matching requirement for training. This is, of course, much preferable to the present 33⅓-percent requirement for fiscal 1966 and 50 percent for fiscal 1967. However, we hope your subcommittee and the Congress will give serious consideration to the extension of the Manpower Development and Training Act on a nonmatching basis.

It is pertinent to point out that the proposed amendments call for no matching for on-the-job training. In this regard, it has sometimes been the practice for the Department of Labor to finance so-called vestibule training as a part of on-the-job training, but which is, in reality, an institutional type of training. If such training can be provided without matching, we could see a great increase in vestibule training under the auspices of the Department of Labor, thereby bypassing the educational agencies.

We submit that education is a prerogative of the State and that the proper State educational agencies should have general supervision of educational programs and not an agency of the Federal Government.

I appreciate the opportunity of giving you my views, and hope that whatever action is taken may be in the best interest of both the State of Maine and of the Nation.

Sincerely yours,

JOHN A. SNELL,
Chief, Bureau of Vocational Education.

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, February 19, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Select Committee on Labor, House Committee on Education and Labor,
Washington, D.C.

DEAR MR. CHAIRMAN: I wish to express my strong and vigorous support for the enactment of H.R. 4257 and H.R. 4271, both bills relating to the continuation of the Manpower Development and Training Act.

This act has been one of vital significance for the State of West Virginia.

In the first years of this program, a large number of retraining programs have been launched within our State. In many cases, they dealt with the hard-core unemployed—the people who were virtually beyond hope of finding jobs in today's competitive labor market. The results have been very promising. The rate of placement of these workers has ranged at about 70 percent.

With this hopeful background, we have recently acted to bring about a vast expansion of our efforts in the Manpower Development and Training Act program.

For example, we developed statistics which pointed out conclusively that there is a shortage of about 500 heavy equipment operators to handle roadbuilding machinery during our construction season in the State each year. These jobs are

either filled by out-of-State workers, or remain vacant, resulting in delays in construction work.

Just a week ago, we completed plans for a $908,000 program under the Manpower Development and Training Act for the training of 520 West Virginians as heavy equipment operators, and hope to place the first trainees in classes at 3 locations by March 1.

Letters have been flooding my office since this announcement, with literally hundreds of jobless workers seeking to participate. This is just one example of the tremendous interest in the Manpower Development and Training Act activities in the State.

However, unless some relief is provided, it is going to be extremely difficult to continue our maximum participation in the Manpower Development and Training Act programs after July 1, if the State is required to provide one-third of the program cost.

I hardly need to remind you, Mr. Chairman, that West Virginia is just recovering from a shockwave of unemployment in the 1950's which created severe unemployment, loss of population, and declining State revenues. While much of the lost ground has been made up, our State still is hard pressed for funds needed in our school system, road program, and other necessary functions.

Unlike some States, West Virginia does not propose to drop out of the Manpower Development and Training Act if the one-third requirement is put into effect. The program is entirely too important to let it die now. But we would face grave problems in financing it in such a manner as to maintain the present level of participation.

A 90–10 matching ratio seems entirely just and reasonable, if it is not possible to continue the total Federal financing of the program.

Therefore, I strongly urge that you give immediate approval of H.R. 4257 and H.R. 4271 within your committee, and that every effort be exerted to obtain swift consideration and approval of this vitally needed program by the entire Congress.

Sincerely,

HULETT C. SMITH, *Governor.*

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF ECONOMIC SECURITY,
DIVISION OF EMPLOYMENT SERVICE,
Frankfort, January 7, 1965.

Hon. FRANK CHELF,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CHELF: The Kentucky State Advisory Committee for Manpower Development and Training met in Frankfort, January 5, 1965, to review the Manpower Development and Training Act.

The State committee feels that the training programs are definitely resulting in the placement of unemployed people in jobs. They feel that these training programs should be continued.

Some time ago Governor Breathitt wrote to Secretary Celebrezze and Secretary Wirtz to advise them that Kentucky will do everything possible to carry on and expand manpower development and training. The Governor stated, however, that he does not believe that Kentucky is in position to provide matching funds to pay training allowances and training costs required by the present law beginning July 1 of this year.

The State advisory committee unanimously approved the following motion made by Dr. Ralph Woods, president of Murray State College, and seconded by Mr. John Koon, executive secretary of the Kentucky Farm Bureau Federation:

"It is the consensus of the committee that Governor Breathitt is correct that Kentucky does not have the money. We urgently request Congress to review the situation and see if the Manpower Development and Training Act can be extended on a nonmatching basis."

Very truly yours,

SAMUEL C. EVANS,
Acting Secretary, State Advisory Committee.

STATE OF ARKANSAS,
OFFICE OF THE GOVERNOR,
Little Rock, March 8, 1965.

Representative ELMER J. HOLLAND,
Chairman, Subcommittee on Labor,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN HOLLAND: Please record my recommendation before your committee that the Manpower Development and Training Act be continued on the basis of 90 percent Federal funds and 10 percent State or local funds.

It is my opinion that if the formula is changed, the program will decline and eventually fail.

Most sincerely,

ORVAL E. FAUBUS, *Governor.*

SACRAMENTO, CALIF., *February 26, 1965.*

Hon. ELMER J. HOLLAND,
House of Representatives, Washington, D.C.:

I understand that the Senate is now considering S. 974 which contains amendments to the Manpower Development and Training Act and that the House will soon consider H.R. 4257 which is an identical bill. Please convey to your colleagues our wholehearted endorsement of this legislation. The Manpower Development and Training Act has proven effective legislation which is in need of further refinements, improvements, and broadening provisions.

ALBERT B. TIEBURG,
Director of California Department of Employment.

MODERN UPHOLSTERED CHAIR CO., INC.,
Morristown, Tenn., February 20, 1965.

Representative ADAM CLAYTON POWELL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE POWELL: The fiscal year of the manpower development and training program as I understand it ends July 1.

The program is financed by Federal funds met equally by those of the several participating States.

It is our understanding that the State of Tennessee proposes not to match Federal funds in the future which would mean that unless the Federal program can make some provision for total financing or can persuade the several States to continue financing the program on a cooperative basis that this valuable program would come to an end.

This means that the development of local manpower for industry on a local basis and the advancement of Federal programs such as the Appalachia program would be severely hampered.

Your influence and activity in providing a solution to this drastic problem will be greatly appreciated.

Thanking you, I remain,

Sincerely yours,

P. R. MUNROE, *President.*

STATEMENT OF THOMAS ROUMELL, DIRECTOR, MICHIGAN EMPLOYMENT SECURITY COMMISSION

I am grateful for the opportunity to appear before this committee to speak on behalf of the training programs under the Area Redevelopment and the Manpower Developing and Training Acts. Michigan was one of the first States to undertake training under this legislation on a significant scale. During the first 3 years of operation, 1962 to June 1964, Michigan had Manpower Development and Training Act and Area Redevelopment Act programs under which nearly 10,000 trainees were involved in 234 projects, costing over $14 million. Since July 1, 1964, an additional 84 Manpower Development and Training Act projects and 16 Area Redevelopment Act projects have been approved to train 7,400 more unemployed workers. In addition to these, 48 projects are currently being developed which have not yet been submitted for approval. These will provide training for approximately 4,500 additional people.

The significance of these training programs to Michigan may be gaged by the fact that of the more than 7,300 trainees who completed training as of December 31, 1964, over 6,000, or more than 80 percent, have been placed on jobs. Furthermore, of the nearly 9,000 trainees who had been enrolled for training under the Manpower Development and Training Act, nearly 1,700 were people who were currently on public assistance. When we consider that if the 6,000 Manpower Development and Training Act and Area Redevelopment Act trainees who have been placed on jobs subsequent to their training work full time, their annual wages will approximate $27 million, we realize that the funds that have been expended in training these people have been an exceedingly good investment. This is so not only because of the gain in morale on the part of the unemployed themselves, but because there has been a positive benefit to the Michigan economy as well. The programs under the Area Redevelopment Act and the Manpower Development and Training Act have served to provide trained people in occupations in which there were actual shortages. These occupations included tool and die makers, machine tool operators, electronic and medical technicians, office machine operators, stenographers, and mechanics. There are additional benefits to the State besides the actual filling of shortage occupational needs. The schools which have engaged in these programs have learned a great deal about the employment structure of the State, the unique problems and needs of the socially and economically deprived people of our State, and of minority groups. Our vocational schools have made changes in their curriculums to bring them closer to the actual needs of Michigan industry as a result of what they have learned in the course of operating these programs. Since many of these training programs have never been operated to any extent by Michigan educational institutions, the schools were of necessity required to make closer contact with business and industry to provide the necessary teachers, technicians, equipment, and teaching methods. The consequent spirit of cooperation which has grown up in Michigan, and, I am sure, in other States as well, as a result of these programs, has probably been the greatest benefit which our State has derived from these programs. We made some mistakes in the early days of the Area Redevelopment Act and the Manpower Development Training Act, but we have learned a lot in the process.

I should like to take a few minutes now to give special attention to training in the area of trade and service. The economic history of the United States during the past few decades, although the underlying trend has been obscured by sporadic economic occurrences, such as wars and the explosion in the population and so on, has been that the role of manufacturing and other production industries has been steadily declining, while the economic importance of trade and service has been steadily increasing. Projections which have been made by the Bureau of Labor Statistics and other agencies indicate that this trend will continue and will probably accelerate. For example, our own projections for Michigan indicate that, while manufacturing will increase by about 6 percent in the decade from 1960 to 1970, and construction will rise at a much more rapid rate, about 31 percent, over this period, the really large areas of growth are going to be trade, in which there will be probably about one-third more people working in 1975 than there are today; finance, insurance, real estate, and government, in which there will be perhaps six people working where there were only five before; and other services, such as professional services, business services, and the like, in which the increase may be as much as 40 percent between 1960 and 1970.

There are many reasons for this. Primarily, I believe that the major reasons for the rather explosive growth which we anticipate in trade and service, as compared with production industries such as manufacturing, mining, and agriculture, are the anticipated increase in our population, the change in the age distribution, and the rise in the standard of living. When the population grows at its least productive ends; that is, in the youngest and oldest age groups, there must necessarily be more money expended and more resources allocated to services as compared to the purchase of tangible things. This is so because the older and the younger groups in the population require a great many more services than the people in the intermediate groups. The first thing that comes to mind, of course, is the fact that the growth in the younger age groups in the population means that we will have a great need for educational services. The rapidly increasing numbers of older people require aditional health services, but it must also be remembered that these will be people who will be living in a

much more affluent way, if I can use that expression, by comparison with older people in the past. The existence of social security, early retirement, private pensions, and prepaid medical care and hospital services means that these people will be able to avail themselves more readily of such services than in the past, and this will require an enormous expansion in the number of people engaged in these specific types of activity.

There has already been a substantial expansion in many service occupations. If we look at such a lowly occupation as babysitter, for example, we find that between 1950 and 1960, this occupation grew by 1,000 percent. Of course, the 1950 census undoubtedly understated the number of people who actually did babysitting, but the very fact that nearly 20,000 people told the census taker in 1960 that babysitting was their occupation is highly significant. There is no reason to doubt that growth in the future in this particular type of activity will be high.

I have mentioned babysitting, not because it is a particularly important activity, but as illustrative of the developments which produce this kind of explosive growth. Babysitting has grown in importance, not only because there are many recently established households with young children, but also because of the growth of suburbanization and of leisure time activities. Perhaps just as important as these reasons is the fact that our society is so affluent that it can maintain as separate households both very young married people and the very old, both of which groups in less affluent times remained as parts of households of a larger size. The old folks are no longer around to "sit" for the young married couple when they want to spend a night out on the town. They are, more than likely, spending a night out on the town themselves, not necessarily the same town.

There are a number of advantages, so far as training is concerned, to the growth of service and trade occupations. They do not normally require any very high level of basic education, and thus older people who do not have much more than a grade school education (or even less) are eminently suitable for them. As a corollary to this, the actual training required to qualify people for these occupations is also short, and they are therefore suitable for programs of 16 weeks or less duration. In the following table, we have listed a number of these occupations in which there has already been a very rapid rate of growth.

Employment, 1950–60, in selected service occupations, Michigan

Occupation	Number employed at time of census		Percent increase in decade
	1950	1960	
Attendants, hospital and other institutions	10,371	18,395	77
Attendants, professional and personal service	1,296	2,404	86
Charwomen and cleaners	7,178	10,789	50
Cooks, except private household	14,190	20,301	43
Firemen	4,426	5,342	21
Hairdressers	7,979	12,020	51
Housekeepers and stewards	4,024	6,248	55
Kitchenworkers	7,379	13,926	89
Police, etc	8,092	10,351	28
Practical nurses	5,243	11,864	126
Sextons and janitors	25,596	30,965	21

The fact that jobs in these categories can utilize people of little education does not mean that no training is required for these people to work efficiently. Reverting to our original example of the babysitter, even this occupation requires more than merely a few last-minute instructions on the part of the parents as to the location of the refrigerator and how long the baby's bottle should be heated. We have all read of tragic occurrences which might have been averted if the babysitter had been trained to recognize emergencies and to do the right thing when they arise. Practically every occupation, no matter how apparently simple it may appear to the outsider, has its technicalities which must be learned, its special equipment which must be operated, its special rules for safety and efficiency.

In addition to the groups listed above, there are a number of other occupations which are growing rapidly and which require a medium amount of training.

These include sales workers in such lines as wholesale and retail trade, insurance, real estate, and so on. We are all aware of the extent to which retail stores have changed since World War II. The trend, of course, has been away from the small family-operated store to the very large store in which the customer generally makes his own selection; this has, however, not diminished the need for training: It has merely changed the kinds of training which are required. In some cases, it has actually increased the level of training and skill required on the part of the salesperson. The advent of the supermarket has made it possible for individual stores to stock a much larger variety of goods than the small family-operated store could possibly handle. It has increased the need for trained workers in such activities as packaging, meatcutting, and the like. Additional changes are in the offing. It is quite likely that, within a few years, electronic equipment will be used in smaller specialty stores, such as women's shoes, to show the prospective customer all of the products available in her size and desired price range. The sales clerk in such a shop will obviously have to use different selling techniques and will have to have different skills than a clerk in the same kind of shop today.

In the fields of insurance and real estate, most salespeople today are college educated. However, there are many older workers without a college degree who could be trained in a relatively short period of time to work in these extremely rapidly growing fields. The enormous rise in expenditures on travel, recreation, hobbies, and other leisure-time activities (including adult education), means that the next decade will see an even more explosive growth in occupations related to these activities than has already occurred. Cooks, housekeepers, janitors, kitchenworkers, and many related occupations are suitable for realtively short training programs. Our projections for this decade indicate that, in Michigan alone, many thousands of workers will have to learn a new occupation. Agriculture will continue to decline. We have forecast a 20-percent reduction in the number of farms and farmworkers in Michigan in the decade of the 1960's. We made a similar forecast for the 1950's and the actual rate of reduction was twice as great as we anticipated. The number of unskilled workers will decline by more than one-fourth. Most of the workers displaced as a result of these developments will be in the older age groups, and our training programs should take this into account. I therefore believe that the limitation of 25 percent on the training of youth is reasonable and should be retained.

Your committee has already received a telegram from Governor Romney in which he expresses his strong support of the training programs under the Manpower Development and Area Redevelopment Acts and in which he states that he is requesting the Michigan Legislature to appropriate $5 million, equal to one-third of the estimated cost of our projected programs for the 1966 fiscal year, to insure the continuance of these programs in Michigan. Michigan is therefore prepared to go along with any matching requirements which may be established. We are heartily in favor of the proposed reduction in the matching requirement to 10 percent, as this will make our continuing participation certain.

Employment in Michigan, 1960, and projected for 1970 by occupational group [1]

Occupational group	Employment		Projected percent change in decade
	1960 [2] actual number	1970 projection	
Total, all occupations	2,726,864	3,175,000	+16.4
Professional and technical workers	326,513	511,000	+56.5
Proprietors and managers	208,956	241,000	+15.3
Clerical and sales	607,884	775,000	+27.5
Skilled workers	438,774	489,000	+11.4
Semiskilled workers	633,219	608,000	−4.0
Service workers	308,189	397,000	+28.2
Unskilled workers	114,143	82,000	−28.2
Farmers and farmworkers	89,186	72,000	−19.3

[1] Includes self-employed and domestic workers.
[2] 1960 data from U.S. Census, Michigan, Detailed Characteristic, PC(1)-24D.

In a personal conversation with Governor Romney, he also asked me to convey to this committee his strong desire for the continuance of the types of training conducted under the Area Redevelopment Act. Using these limited duration programs in areas of high unemployment, we have accomplished a great deal in Michigan in the way of providing retraining for older workers and other long-time and hard-core unemployed. I should like to mention a few of these courses to indicate just how successful they have been. We conducted courses for nurse aids and orderlies in the Detroit area which were completed by 297 trainees during the 1964 fiscal year, 246 of whom obtained employment subsequent to completion of the course, all but 9 of them in a training-related position.

We trained 80 women as sewing machine operators in Detroit of whom 60 obtained employment after completion of the training.

Of 77 women trained as salespersons, 64 obtained jobs; all but 6 in a training-related occupation.

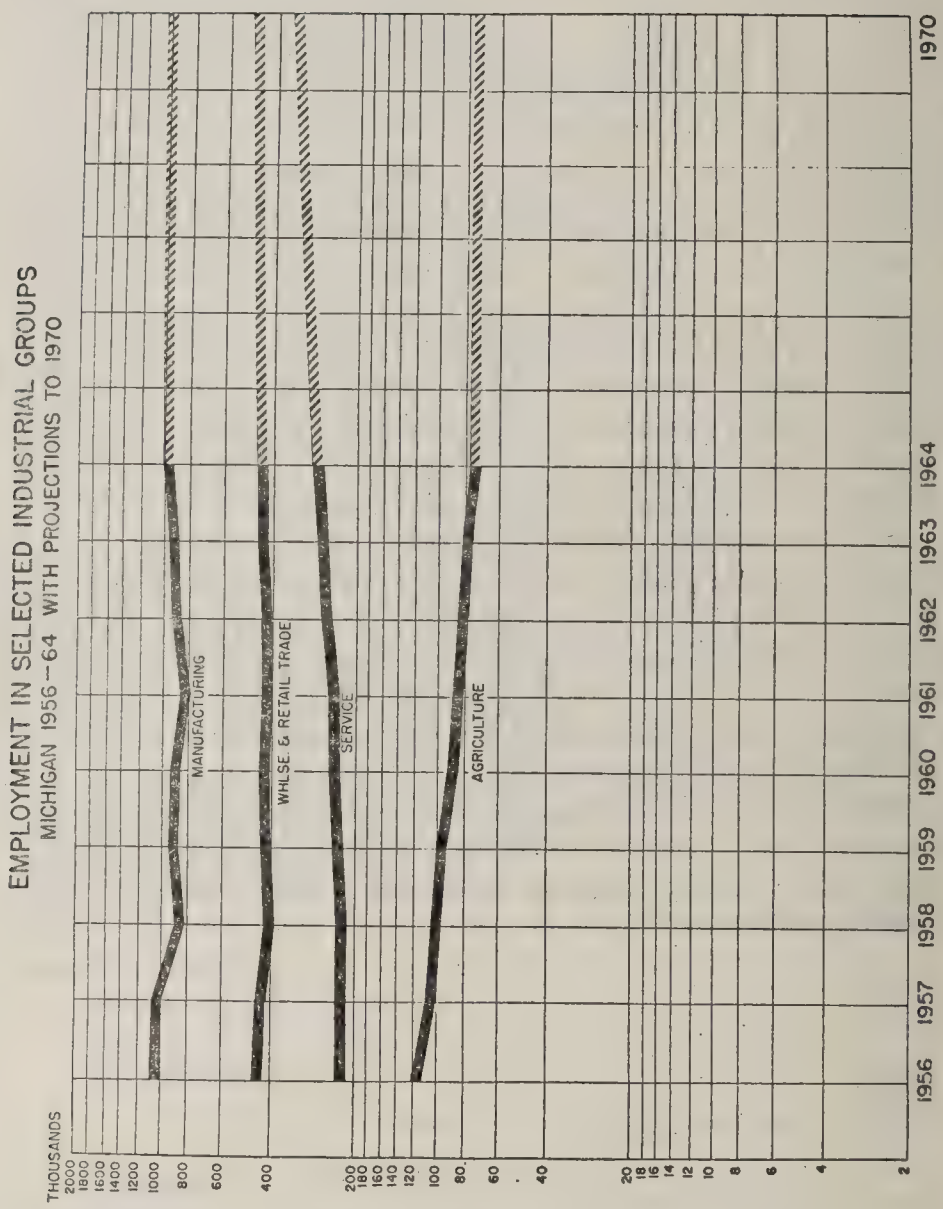
In Petoskey we had 19 who entered a training course for cooks, all of whom completed the training, and all but 1 obtained employment. We enrolled 74 women in waitress courses, and of the 64 women who completed the course, 55 obtained jobs.

We could go on to list many more classes which we have given under the Area Redevelopment Act, most of which have been conspicuously successful but the ones I have mentioned so far are a sufficient indication of the diversity of these courses and the success which we have had with them. Our current plans include a number of similar courses, some of them in the kinds of activities mentioned by President Johnson in his recent statement of February 1. We have already submitted proposals for a course to train homemaker instructors, counselor aids or vocational advisers, automobile service station mechanics, and so on. There is a great need for trained people in these occupations. I want to associate myself with Governor Romney in his strong recommendation that programs of the Area Redevelopment Act type be continued.

I should also like to take this opportunity to go on record in favor of some of the other features of S. 974. The extension to 2 years of the maximum period in which training allowances may be paid widens our horizon in terms of the kinds of projects which we can undertake. The revisions in the eligibility requirements, and the provision for dependency benefits in addition to the basic allowance, will have the effect of bringing into the training programs many people who need such training or retraining but whose family circumstances are such that they simply cannot afford to go into the training programs with the limitations on the allowances currently in effect.

The authorization in the bill providing for training programs in redevelopment areas, with the full Federal financing, will simplify the administration of this program, as will the amended provisions dealing with appropriations and the use of authorized funds.

May I again thank the committee for this opportunity to appear before it and to make my views known.


EMPLOYMENT IN SELECTED INDUSTRIAL GROUPS
MICHIGAN 1956—64 WITH PROJECTIONS TO 1970
THOUSANDS
2000
1800
1600
1400
1200
1000
800
600
400
200
180
160
140
120
100
80
60
40
20
18
16
14
12
10
8
6
4
2
MANUFACTURING
WHLSE. & RETAIL TRADE
SERVICE
AGRICULTURE
1956
1957
1958
1959
1960
1961
1962
1963
1964
1970

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C., February 12, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Select Subcommittee on Labor, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Advisory Commission on Intergovernmental Relations, at its meeting of January 18, 1965, approved a report on "Relocation: Unequal Treatment of People and Businesses Displaced by Governments." In adopting the report, the Commission made a number of recommendations for Federal, State, and local action to achieve greater equity and uniformity in the treatment of those displaced by governmental programs, and to mitigate the hardships of relocation. One such recommendation concerns the Federal Manpower Development and Training Act, on which your subcommitte is considering amending legislation proposed by the administration (H.R. 4257). The recommendation is as follows:

"The Commission recommends that the Congress amend the Manpower Development and Training Act to permit widow and widower owners of displaced firms to be eligible for manpower retraining allowances."

The Commission study found that small service and retail establishments suffer most among displaced businesses. Many of these are owner operated. One analysis of some 300 businesses displaced during the period 1954 through 1959 found that one-fifth of the 300 were in this category. Further, many are the "Mom and Pop" grocery stores or service businesses, run by a widow or widower. Since many widows and widowers have operated marginal businesses and do not have the resources or spirit to reestablish themselves, their only chance of sustaining themselves without resorting to public assistance is to find employment. Age may be against them, but even if it is not, they have the problem of not having a usable skill.

Under current provisions of the Federal Manpower Development and Training Act, heads of households are eligible to receive training allowances for up to 52 weeks while in training to acquire a new skill. Widows and widowers are usually not eligible, since they are rarely heads of households. Making them eligible under the Commission recommendation would be of substantial assistance in enabling such people who are displaced small business owners and operators to prepare themselves for a new occupation and thereby remain self-sustaining citizens.

The Commission is therefore pleased to note that H.R. 4257, section 5(c)(2), amending section 203(c) of the Manpower Development and Training Act of 1962, as amended, would remove the "head of household" requirement and thereby authorize all widows and widowers, otherwise qualified, to receive training allowances under the act. The Commission respectfully urges approval of this provision as it relates to widow and widower owners of displaced businesses.

Very sincerely,

FRANK BANE, *Chairman.*

AMERICAN PERSONNEL & GUIDANCE ASSOCIATION,
February 23, 1965.

Hon. ELMER J. HOLLAND,
Chairman, Select Subcommittee on Labor,
U.S. House of Representatives, Washington, D.C.

DEAR MR. HOLLAND: Congratulations to you on the hearings for the extension to the Manpower Development and Training Act of 1962 (H.R. 4257). This has been extremely positive legislation which has assisted many youth and adults across the country to better prepare themselves for the economic necessities of the day. The proposed amendments grow out of the valuable experience gained in the administration of the measure and should be enacted. The American Personnel & Guidance Association wishes to add its name to the supporters of this bill.

It is my understanding that your hearings will be closing soon. Please accept our best wishes for speedy consideration at the committee level and in the full consideration of the bill before the entire House of Representatives, and the passage of this essential legislation.

Cordially yours,

ARTHUR A. HITCHCOCK,
Executive Director.

AMERICAN NURSES' ASSOCIATION, INC.,
New York, N.Y., March 1, 1965.

Hon. JAMES O'HARA,
Select Subcommittee on Labor,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. O'HARA: The American Nurses' Association is the professional membership organization of registered nurses. At this time we wish to bring to your attention and to the attention of your committee our interest and concern in the rapidly expanding training programs for health occupations under the Manpower Development and Training Act.

Legislation passed in the last 4 years to combat unemployment has resulted in efforts to alleviate shortages in service industries, including the health field. In the implementation of this legislation there has been a mushrooming of programs for the training of subprofessional workers for employment in nursing services. This rapid growth of training programs has produced problems of serious import for health care.

1. Workers are being prepared for employment in nursing facilities without adequate determination of need for them in each instance.

2. Training programs for auxiliary nursing personnel are increased without insuring an adequate supply of qualified nurse instructors and supervisors both during training and in the placement facility.

3. A number of practical nurse training programs financed by Manpower Development and Training Act funds have placed established standards of practical nurse education in jeopardy.

4. The initiation of new, and often untried, occupations threatens further fragmentation of nursing service to patients. This can lead to deterioration of nursing care.

5. The length of the training programs for the various types of health workers is not always compatible to either the positions in the nursing service for which the workers is being prepared or to the appropriate budgetary level within the nursing service.

6. The rapid proliferation of training programs for practical nurses and nurses' aids is increasing the imbalance between professional nurses on the one hand and practical nurses and nursing aids on the other. When the staffing ratios show a heavy proportion of nonprofessional workers then quality nursing care cannot be insured.

Standards for the recruitment, selection, training, placement, and supervision of auxiliary workers in nursing services have been established by the nursing profession. We recommend that these standards be incorporated into the planning of any and all proposed programs for auxiliary nursing personnel in health services.

Representatives of the American Nurses' Association have been meeting with official representatives of the Federal agencies responsible for the implementation of the various programs for training for the health occupations. The focus of the discussions has been the implications of the programs for nursing services in various facilities, with the emphasis on quality health care. We are currently supplying these representatives with further guidelines for these programs, at their request. ANA emphasizes the importance of its involvement in the development of plans to train workers for employment in nursing services. The delineation of the scope of the auxiliary workers as part of nursing service has been recognized as the responsibility of the nursing profession.

We further wish to point out that unemployed persons being trained for the health occupations will be entering a field of employment that is itself economically depressed and has a high rate of turnover. Studies by the Bureau of Labor Statistics over the years raise serious questions about employment as a nonprofessional worker in a hospital as a self-supporting job placement. For example, according to BLS, in June and July of 1963, when the Federal minimum wage was $1.15 an hour, in none of the cities surveyed was the average as high as the Federal standard and in Memphis and Atlanta average hourly cash wages were from 38 to 53 cents lower than the minimum.

We wish to assure you that the American Nurses' Association supports the purpose and intent of the act as a means of providing employment opportunities for those not now working. However, the nursing profession also realizes its responsibility in providing adequate nursing care for patients in this country. We would not wish the war on poverty to become a war on the Nation's health. We

believe the attack on the unemployment situation must not be allowed to undermine the health care of the patients in this country. Therefore, we felt we should communicate to you some of our concerns.

Sincerely yours,

(Mrs.) JUDITH G. WHITAKER, R.N.,
Executive Director.

AMERICAN VOCATIONAL ASSOCIATION, INC.,
Washington, D.C., March 1, 1965.

Hon. ELMER J. HOLLAND,
House of Representatives,
Washington, D.C.

MY DEAR REPRESENTATIVE HOLLAND: You will remember that when the witnesses for the American Vocational Association appeared before your subcommittee requesting approval of H.R. 4257, they strongly recommended that the measure be approved with no matching of Federal funds with State and local funds. The purpose of this letter is to reiterate this request.

From a careful study of this matter and as a member of the National Advisory Committee on Manpower, I am convinced that if the provision calling for a 90–10 basis of matching is approved, that it will seriously jeopardize the effectiveness and the continuance of the program in many States.

As you know, the amendments in H.R. 4257 call for combining matching funds for training allowances and for cost of training programs. If this basis of matching prevails, it means that the training costs will have to be matched by at least 20 percent with State funds in cash or "in kind," since there will be little or no opportunity to obtain "in kind" matching for training allowances. In many States the cost of training allowances is much greater than the cost of training programs. This means in these States the matching for cost of training would be more than 20 percent.

Numerous State vocational officials have informed me that their States will not be able to match Federal funds for cost of training program on a 20-percent-or-more basis.

Throughout the United States, many private vocational schools are making a tremendous contribution to the training of unemployed workers. If Congress approves a 90–10 basis for matching, which will result in at least 20 percent matching for the cost of training, it would result in eliminating participation of virtually all private training institutions. This should not occur, because the facilities of private schools should be used. In some States, State laws prevent education authorities from making public funds available for matching purposes in any program carried on in a private school.

In light of the above, we strongly urge that the amendments to the Manpower Development and Training Act of 1962, as amended (H.R. 4257), be approved on the basis that there will be no matching of Federal funds with State and local funds.

With best wishes, I am,

Sincerely yours,

M. D. MOBLEY, *Executive Secretary.*

CAPE MAY COUNTY VOCATIONAL TECHNICAL INSTITUTE,
Cape May, N.J., February 18, 1965.

Hon. THOMAS MCGRATH,
House of Representatives,
Washington, D.C.

SIR: After careful consideration of the facts, as I know them, may I strongly urge you to give careful thought to the proposed extension of the Manpower Training Act currently being considered.

I would urge that the act should be continued for at least 2 more years but without the necessity of the States providing funds on a 90–10 percent matching basis. As you know, the proposed amendment does not require matching funds for on-the-job training programs. As indicated by the action of the southern Governors conference last October the States feel that the Manpower Training Act is a worthwhile and beneficial program; however, the majority of the States are not in a position to match funds. If the extension is passed as presently

written it will mean that these States will be forced to drop the program. Such action will certainly not contribute to the economic development of these States or to the good of the Nation.

I would further urge that, in order to facilitate better basic educational and vocational training for the people needing this, the present 72-week maximum training period be extended to 104 weeks. This would also allow the training facilities to do a better job of long-range planning and would also allow them to purchase equipment, the cost of which could be justified on programs operating over a longer period of time.

In our own State of New Jersey it has become increasingly difficult to obtain approval of Manpower Development and Training Act programs because of the cost factor. If State funds are required to be included in these programs I feel that the situation will become even more acute, perhaps to the point of severely limiting the good that these programs can do. I therefore respectfully request that you consider the recommendations made in this letter and hope you will be prompted to take favorable action.

Very truly yours,

THOMAS L. BUCKLEY, *Coordinator.*

VOCATIONAL-TECHNICAL EDUCATION, ATLANTA PUBLIC SCHOOLS,
Atlanta, Ga., February 24, 1965.

Hon. CHARLES L. WELTNER,
House of Representatives,
Washington, D.C.

MY DEAR MR. WELTNER: We urge you to use your influence in trying to get the Manpower Development and Training Act extended with no changes. That is, continue with 100-percent Federal reimbursement for the next fiscal year or as long as the program is doing the job that it was intended to do. As you know, there are amendments that have been introduced in both Houses which will extend the act through June 1966, with a strong possibility that it be on a 90–10-percent Federal-State matching basis. In many States, and Georgia specifically, this will work a hardship in terms of supplying the necessary matching funds for the continuation of this program.

In Atlanta area alone, we have trained over 1,000 students under this program utilizing $772,000. Most of these students were on relief, drawing unemployment claims, or unemployed and a drag on society. They are now trained to be a useful taxpaying citizen doing a job they know how to do.

Thank you for your efforts in this respect.

Sincerely yours,

JOHN F. STANDRIDGE,
Executive Director Vocational-Technical and Adult Education.

BOARD OF EDUCATION,
Parkersburg, W. Va., March 1, 1965.

Dr. R. E. L. KNIGHT,
Director, Select Subcommittee on Labor, Committee on Education and Labor,
B–346A Rayburn House Office Building, Washington, D.C.

DEAR DR. KNIGHT: I have been most concerned about the continuing and changing relationship between the Manpower Development and Training Act and the responsibility for the public schools in this matter. Now that I have been for the past year and some few months responsible for the operation of these programs, I have, as you asked for, strong opinions on certain areas of modification.

It seems to me that the most difficult part of the program is to get the Department of Employment Security—that is, the labor department of the local area—to act effectively to get people involved in the program. We here in Wood County have started several Manpower Development and Training Act programs in the last few months and feel that we could get them going much faster, much more effectively, and, in the long run, get more people in the labor market if we were free to select, screen and put these people into the program immediately. We have run into constant delays, holdups, and inability of the local employment office to act with any dispatch and apparently with ability to make local decisions without referring to Washington, D.C. In my judgment, this has been the most serious handicap.

I also feel very strongly that this idea that training must relate only in the areas of the jobs that are immediately available is in effect creating a retraining problem. There are some areas in which it would seem we could do some training looking ahead to future jobs rather than to jobs that are on the market right now. Certainly there should be some opportunity to try new directions in this area and not be held to those jobs which the particular local employment agency sees as possibilities of filling within the next few weeks after the close of the program. Maybe these are administrative matters—I am not sure—but as I read the act and am somewhat familiar with it, it seems that local labor offices, in terms of the U.S. Employment Security, are in a difficult position to do differently than they have. Either they should be given some freedom or schools should be given some freedom to move with dispatch when a new program is started.

GRANT VENN,
Superintendent, Wood County Schools.

STATEMENT OF R. A. WHITEHORNE, INTERNATIONAL BUSINESS MACHINES CORP.

I wish to thank the chairman and the members of the subcommittee for this opportunity to express my views.

I am R. A. Whitehorne, currently employed as resident director of personnel for the IBM Corp., Poughkeepsie, N.Y. In previous assignments with the company, I have worked closely with the plans for progress program and have been responsible for personnel research.

While IBM has had limited experience with Government training programs, it has for many years been educating and training its own employees. Therefore, I feel that while my comments will not be directly related to the Manpower Development and Training Act program, and my experiences are somewhat unusual due to the nature of the data processing business, they may nevertheless be helpful in indicating the kind of problems involved in on-the-job training programs. My views are my own and do not necessarily reflect those of the IBM Corp.

Education and training have become an intrinsic and vtial part of IBM's operations. In 1963 (our most recent figures), there were 6 million student-hours of training conducted under the supervision of 1,200 full-time instructors and an educational support staff. These efforts do not take into account the usual on-the-job instructions necessary in most types of employment.

Although most of IBM's educational programs have emphasized introductory training for new employees and continued updating and upgrading of employees, a significant part has involved imparting entirely new skills. With this background and experience in training, IBM has had little need to participate in government-sponsored programs. To date, IBM has participated in only one such program. This program was developed in cooperation with the urban league and supported with funds from the Bureau of Apprentice Training, Department of Labor. The program was designed for those people who did not possess the background to directly enter IBM's normal training program, yet had the potential of absorbing the normal program. With Government funds, a recruiter was hired by the urban league to screen candidates. The candidates were carefully selected and a total of 15 enrolled. The class schedule called for 35 training days versus 14 training days for regular hires. The purpose of the training was to convey a basic understanding of electronics.

During the training program, supplementary assistance of a tutoring variety was available. Once they enter training, they are considered employees of IBM. Of the first group, 13 of 15 completed satisfactorily and are now proceeding on a normal orientation and training program on basic types of business machines.

We are very pleased with results to date and I feel that such programs will greatly aid business in providing the mechanism for contacting and recruiting qualified unemployed and disadvantaged people.

When a company such as IBM has the resources, the most efficient method of conducting on-the-job training programs is to do it solely by company funds and personnel. The problems encountered in our programs were:

Development of proper selection procedures, particularly tests.

Determining wage rates during training according to the individual's experience and technical level of the course.

Necessity for preparatory courses in English, math, and basic electronics.

Difficulties of the experienced adult in classroom work and home study programs.

Desire of individual manager to hire technical school graduates rather than on-the-job traing trainees.

Need for corporate policy to assure placement of on-the-job training trainees in decentralized divisions.

Determining specific job openings and manager acceptances before completion of training.

Reluctance of on-the-job training trainees to move to different communities even when moving allowances were provided.

Our experience in on-the-job training indicates that people who possess learning ability and a high school education but no technical background can be trained as programers and electronic technicians in a period of 6 to 9 months. Training programs of up to 2 years would appear to be too long except for unusual skills and for individuals who possess exceptional ability but a meager educational background.

As for upgrading those already employed, I believe this can best be done in large companies entirely by internal training programs. These company programs could be supplemented by community adult education programs to be held in the evening on a voluntary basis. But. on-the-job training during working hours of those presently employed can best be accomplished if left solely in the hands of the company.

RESTORATION OF YOUTH THROUGH TRAINING PROGRAM—PROGRESS REPORT NO. 3

Submitted to Dr. Seymour Wolfbein, Director, Office of Manpower, Automation, and Training, U.S. Department of Labor by Dr. Sol Chaneles, director of research and planning, New York City Department of Correction, project director, restoration of youth through training program

(Transmitted by Anna M. Kross, commissioner of correction, city of New York)

Progress Report No. 3

A. THE PROGRAM

The restoration of youth through training program is a pilot research project designed to answer a range of questions about youth who have been convicted of crimes and sentenced to a correctional institution.

Three questions have been paramount since the inception of the research effort: (1) What are the differences in behavior between a group of 18- to 21-year-old youth who are released to the community from a correctional institution after receiving special vocational training and a comparable group of youth who receive only conventional correctional services? (2) What factors account for these differences? (3) Is a restoration of youth through training type of program feasible and adaptable in other correctional institutions?

Thoroughly documented answers will have to wait until all the data are collected and evaluated. The present direction of the findings, however, about midway through the program, is so sharply defined and favor certain answers that a number of tentative conclusions are possible. The weight of the evidence suggests that the final data are not likely to reverse these findings.

Firstly, the restoration of youth through training program or any comparable program is feasible and adaptable to other correctional institutions. In essence, the program called for the selection of confined youth according to an experimental research design; following a randomizing process, selected youth (restoration of youth through training trainees) are exposed to an intensive vocational training program involving several automatic data-processing machines and related personal improvement services. The quality and intensity of the training compares most favorably with the finest comparable training programs offered by vocational schools or inservice courses offered by private industry. The restoration of youth through training trainees, suffering all the handicaps of imprisoned youth, participated in the program with strong positive motivation and good learning discipline. The results of the training effort, from both the qualitative and quantitative standpoints, have been entirely satisfactory.

The program calls for placement of the trainees in gainful employment following their release from confinement. This aspect of the program is also feasible and adaptable to other correctional systems. For every trainee there has been either immediate employment upon release from confinement or favorable prospects for employment after a short waiting period related to hiring practices and employer needs. In a limited number of cases, RYT staff did not attempt to secure immediate placements in industry upon the trainees' release. It was felt that, for these youth, additional training was required or work experience at non-data-processing jobs, in order to provide continued assurance to cooperating employers that the RYT program "product" deserved every favorable consideration for employment. To do less would have violated an important underlying hypothesis of the program; namely, employers, in general, have no fixed or absolute nonhiring policy in respect to released offenders; quality level, marketable job skills among released offenders serves to reduce the preceived salience of their criminal history. The alternative, a shift back to a humanitarian plea for special consideration of "errant youth," is so abhorrent a position as to have been systematically avoided throughout the experiment. In the final analysis, the RYT program will be able to vigorously demonstrate that the traditional barriers to the gainful employment of former offenders fall away in direct proportion to the skills and talents former offenders have to offer prospective employers.

The literacy instruction aspect of the program, self-management procedures, the frequent and intensive testing and interviewing plans were all equally simple to implement; responses among trainees were positive. All of the foregoing actions and processes were, perforce, strict demands imposed on the correctional institution, notwithstanding its extreme preoccupation notoriously with custodial security and the preservation of deeply rooted archaic traditions. The project's experimental demands met with energetic cooperation. The enthusiasm and constructive cooperation of correctional personnel requires a serious appraisal in the light of what appears to be unwarranted persistent, unfavorable public and professional criticism of alleged correctional rigidity.

Secondly, the type of complex administrative structure necessary to implement and smoothly operate an RYT-type program calls for units of organization, sufficiently discrete to operate independently. The RYT program, in effect, operates a training school, a social agency, a research organism, a job placement agency, and an academic program. That these diverse functions can be implemented and operate smoothly under a single administrative structure serves as validation of the program's feasibility.

The reciprocal interpenetration of various parts of the program served to produce several useful results: (*a*) A good deal more was learned about each trainee than could have been learned in a more limited program; (*b*) increased awareness about the trainees provided prospective employers with greater sensitivity to their prospective employees and to the overall objectives of the RYT program; (*c*) increased performance solidarity of RYT staff in the placement and followup areas. For most people, there is satisfaction working in a prison, whether one is an inmate or a paid professional staff member. Job satisfaction for RYT staff increased in direct proportion to: (*a*) Postrelease contact with the youth (observing the youths' hopefulness grow in returning to work, noting the physical transformation which occurred in each case and the personal rewards of keeping youth out of trouble), and (*b*) distance from the prison.

A prison-based program concerned with restoring offenders to useful roles in the community through combined training for skilled jobs and job placement in work areas of known shortages offers a strong likelihood of success. In project adoption of RYT-type programs in prison, RYT experience suggests that policy in respect to developing such programs should set for guidelines for administrative structure in such a way that the organization should be created so as to consist of sufficiently motivated staff who perform highly specialized job functions; who are continuously exposed to supervisory orientation (staff development sessions triggered by flow of data require constant tactical shifts in activity); and who are subject to firm, uncompromising staff supervision. Many past evaluations of prison-based programs insist that program outcome is fundamentally dependent upon motivation, performance, and supervision of offenders who are the recipients of any program stimuli; RYT experience would reverse this widely held view and insist that the offender bears only a negligible responsibility in programs designed to bring about change in his life pattern. A factor of overriding significance related to the postinstitutional restoration of young offenders is associated

with the integrated, coordinated functioning of the staff organization designed to stimulate the restoration process. In the original RYT design, no attention whatever was given to this problem. In examining the present insistence of the organizational factor, it appears that no simple explanation of interdependence accounts for the salience of this factor. Staff personalities and its abstract structure-staff organization enter into an interactional relationship with the RYT trainees with a greater power on allocation to staff organization than hitherto appreciated. Staff organization is the transitional vehicle between prison-staff organizations and community organizations. Failures among RYT trainees may be attributed more to weaknesses in staff organization than any other factor observable or detectable among the trainees.

One clear implication from this discussion bears on the adaptability of the RYT program to other correctional institutions; namely, the deployment of staff organization as a cooperating entity within the prison organization. If the more difficult course of action projected—namely, total operational responsibility by the correctional organization—provision must be made for the flexibility of roles and functions characteristic of the RYT staff organization. Where RYT fails in weak supervision because of excess flexibility, conventional prison organization is likely to be more rigidly autocratic in the supervisory dimension. There is not at present sufficient subjective experience or empirical data to speculate on precisely what kind of balance on a rigidity-flexibility continuum must be struck to achieve maximum success. The important element which cannot be repeated enough is that on the basic of RYT experience, any prison-based program related to job training for jobs in demand in the community is likely to succeed and that a considerable measure of success is strongly related to program staff and how they are trained, assigned, and supervised.

One of the most important questions that RYT research set out to answer is whether young prisoners who are provided with encouragement, training, and "push" fare better in the community after prison release than a comparable "control" group of youths who receive only conventional correctional services. With a number of reasonable, nonhedging qualifications, the answer, even at this early stage of the program, is an emphatic "Yes"; trained youth make a much better adjustment from whatever standpoint one wishes to judge than they would have made had they not been exposed to the RYT program.

B. QUALIFICATIONS

Firstly, the strength of the affirmative answer is based on a trend which appears to be irreversible at this point in the program. Secondly, the assessment is being made in terms of several broad considerations. While these cannot be described in precise quantitative terms, they are important due to the strong pressures they exert on the type of youth involved in the RYT program. These considerations are:

(1) The summer of 1964, the "long, hot summer," generated a host of urban tensions in the most densely populated and deprived areas of New York City, the very areas where RYT trainees reside, associate with friends, and are tempted by the proliferation of legal and illegal distractions for youth;

(2) Summers are particularly stressful to the under-21-year-old youths who are unable to satisfy their needs in urban areas which have very little to offer by way of constructive and attractive use of the long day's leisure and the night's heat;

(3) The summer of 1964 showed an intensification in New York City of efforts aimed at providing jobs to the traditionally unemployed, unemployable youth; employers were under great pressure to generate opportunities for these youths in new programs; the task of placing RYT trainees who, in addition to all their other handicaps, were now facing competition from many thousands of youths who may have never had prison experience or even a brush with the law—the employment picture for summer 1964 for the RYT trainees seemed grim indeed. In addition, employers of data-processing personnel appeared to be very cautious during the period of racial tension in expanding employment possibilities and fewer jobs were available during this "hot" period than at any other period since the program's inception.

Notwithstanding these considerations which RYT staff felt would have disastrous consequences for the program, very few RYT trainees had any trouble with the law during the 6-month period following their release from prison. Three times as many youths in the control group were involved in police and criminal court action resulting in incarceration. In the case of two RYT trainees

returned to prison, RYT staff were instrumental in stimulating official actions which resulted in their return to prison.

There is an especially significant meaning to be attached to the 6-month postprison period. It has been well established in postprison adjustment studies that the period of greatest vulnerability for rearrest and conviction for a released offender, particularly a youth, occurs during the first 6 months following release. During the 6-month vulnerability period, and conditioned by other factors in operation as described above, the RYT trainees held better jobs, received more pay, worked more steadily, and held greater promise to stay out of trouble than youths in the control group. Presented below is a summary outline of the highlights of RYT trainee achievements compared with control group members.

Postrelease of RYT trainees and control group, as of July 15, 1964

	Trainees (N-27)	Control (N-30)
Average time in community between release and employment (days)	12	28
Number employed as of July 15, 1964	22	[1] 21
Number unemployed as of July 15, 1964	8	8
Number returned to correctional institution	[2] 3	8
Average number of jobs held	1.25	1.46
Median weekly salary	$66.67	$52.25
Median days from date of prison release	92.75	99.12

[1] It should be noted that one condition for release on parole for youth under the jurisdiction of the parole commission is a job. Family and friends of youth in the control group in almost all cases secure positions for these youth. Progress report No. 4 will compare types of postinstitutional employment for both the experimental and control groups.

[2] 2 of the 3 trainees were returned to prison as a result of action initiated by RYT staff.

C. SCIENTIFIC EXPLANATION

By far, the most important question to be answered by the RYT program, from the pure research standpoint, is: "What accounts for differences in the postprison adjustment of youth?" Are the reported differences between the experimental and control groups, characterized as irreversible trends, attributable to training, staff-trainee relationships, offender personality factors, or to some combination of these and other elements acting individually or in combination? At this juncture, there is no single or complex explanatory proposition which can decisively explain either success or failure. There are too few data to permit statistical corroboration for the numbers presently involved in the program. Clinical insights provide seductively simple explanations of both success and failure. As a result, however, of a review of four detailed case studies (two from the experimental and two from the control groups), the clinical method of explanation, while suggesting many fertile lines of inquiry, has failed to produce consistently viable or valid explanation.

The weight of the evidence suggests two avenues of explanation which are consistent for both the failures and successes and reasonably accounts for the difference in postprison adjustment for the experimental and control subjects.

The most important variable influencing the outcome in both the experimental and control group other than job training and placement is the function of the RYT staff and especially the strengths and weaknesses of supervisory performance of staff personnel.

In two previous progress reports, it was noted that the OMAT-sponsored RYT program received enthusiastic cooperation and a considerable measure of direct and indirect cooperation from members of the Department of Correction, both from the top policymaking level as well as from those correctional employees in most direct contact with youth involved in the program. The significance of this novel cooperation was not understood or assessed in the early phases of the program. It is possible now to state with certainty that the RYT program has become a source of common interest for both RYT staff, employees through OMAT support, as well as for numerous Department of Correction employees who directly and indirectly influence program-related actions and the environment in which a major segment of the experiment is realized. This identification has bolstered the outlook of personnel in respect to the potential of the correctional setting that positive, constructive and socially worthwhile roles are possible for prisoners, a concept nominally adhered to in correctional institutions

but rarely believed and acted upon in constructive programs. The mere accessibility of the RYT program to some inmates along with RYT and correctional personnel has increased the hopefulness, the sense of power potential, and has stimulated socially acceptable motivation of the trainees and their families. The novelty of the program, its modest success to date and its promise for establishing a model for new institutional-based programs concerned with improved self-management and social restoration has generated an awareness of individual and collective purpose normally not found in conventional correctional programs. Members of the control group to whom only conventional correctional services are available cannot and do not share the emergent values and enthusiasm that is observable among the experimental subjects and staff.

The careful selection, orientation, continuous training of staff and periodic pruning and redeployment of staff members in order that all phases of the program design are optimally implemented and satisfied under research conditions has generated among staff a drive toward action, efficiency, and self-discipline, providing a major contributing force in the achieved results. It is highly probable that without a staff structure of this type, job training and job placement alone would not have produced the striking results which differentiate the experimental and control group youth. The original design did not call for answering research questions about the relationship of staff to program outcome. At this stage, it appears that the quality and productivity of staff has paramount importance. It is within the realm of present program knowledge to suggest that future OMAT programs, in evaluating the substantive aspects of new programs, give a good deal of attention to (*a*) patterns of staff selection; (*b*) patterns of staff orientation, training and retraining; and (*c*) evaluation of staff performance in terms of program objectives. The principle weakness of the RYT program, notwithstanding its satisfactory results, has been in supervision of staff activity. Where supervision is strongest in the program, the results are most impressive; where supervision is weakest, the results have been the poorest.

D. PROFILE OF RYT PROGRAM YOUTH

An evaluation of the characteristics of the experimental and control group members does not reveal or even suggest that, apart from a history of adjudicated criminal offenses, they are different in any way from any other "noncriminal" youth drawn from comparable conditions of relatively low income, failure to complete a high school education, and exposure to conditions of periodic dependence upon public assistance programs. The fact that so many youth from deprived environments do not get drawn into the population officially adjudicated and identified as criminal or delinquent suggests that either they possess or lack some factor which immunizes them from official law enforcement actions. The RYT program has not yet been able to produce a single social, psychological, or cultural factor associated with the life patterns of criminal youth indicating that they are different from the noncriminal.

It would appear that the first delinquencies, deviances or indiscretions of youth when acted upon officially by the police, courts, and correctional institutions predispose these youth toward continuous and repetitive recognition by law enforcement authorities increasing the hazards of criminality for them. The probability of official action toward youth who are subject to the same tendencies toward youthful crime, but who, accidentally, are not identified by law enforcement officials, decreases over time.

Only nebulous conjecture can justify any casual statement to account for the increase of youthful crime in recent years. It is doubtful from the standpoint of youth whether there are any psychological, cultural, or social factors which, singly or in combination, either insulate youth from law enforcement action or impel them into contact with law enforcement for the first time. It is questionable whether further study into such etiological factors is likely to add any new understanding to crime and delinquency phenomena. Since offense history is regulated by continuous exposure to law enforcement until major maturation is reached in the life cycle, generally during the third decade, a point we may refer to as maturity transformation, reduction of repeated offense would appear to be feasible by altering the community life pattern of released offenders. The alteration of community life pattern is not a new concept advanced in this report; in the original RYT study design we spoke about achieving a viable sequence of adjustment in the community. Alteration of the community life pattern to minimize exposure to law enforcement appears now as a major sequence; it would appear almost as a priority or prerequisite to all subsequent adjustments. The

RYT program performs such a function in a twofold mutually reinforcing fashion. On the one hand, in the correctional institution, RYT staff, by adopting a posture of neutrality toward the trainees (strengthened by the fact that RYT staff do not nor cannot carry the authority of uniformed correctional officials), generates among the trainees a sense of trust and perception of the program's supportiveness through constructive, concrete actions which minimize exposure to official action (whether or not there are delinquencies, infractions, or indiscretions to be observed and reported is irrelevant). The trainee's sense of personal failure and vulnerability to law enforcement action, quite salient among the control group members, are perceptually replaced by specific demands of the project, learning new skills, and preparing for future jobs.

On the other hand, the postrelease phase of the program continues the insulating life pattern through job placement and other inclusive followup activities. It is not possible to say that RYT trainees are less "criminogenic" than the control group members. As a result of the program, they are probably not more or less so than any youth who has never had a "brush with the law"; rather, the RYT program has served to provide a relatively noncrime vulnerable adjustment pattern which serves two socially significant functions at the same time: (1) it provides skilled work opportunities for youth who might not otherwise have had such an opportunity; (2) it provides for the acceleration of maturation through useful work in work settings normally not available for released offenders.

One of the manifold functions of work in this society is the provision of maturation roles which are stabilized by other institutionalized demands emanating from the family, the law, friends, and other societal phenomena. The findings, to date, strongly indicate that vocational training, job placement, and the specialized function performed by the RYT staff and its particular structure serving to match workers with jobs produce insulation to vulnerability and contribute to personality maturation. The high failure rate in the control group supports an explanation that in the absence of an RYT type of supporting staff structure, upon release, youth are subject to the stress toward vulnerability and apprehension by law enforcement authorities.

E. RYT SELF-MANAGEMENT PROGRAM

The design of the self-management sessions with the RYT trainees calls for two types of interchange: (1) direct instruction by staff and questions from trainees in such matters as social security, employer benefit programs, employer rules and regulations, managing tensions with employer representatives, business communication procedure, seeking various kinds of help in the community, and how to behave successfully as a young, "skilled" worker; and (2) an interpretation of youth apprehensions about their future job situation in such a way that specific kinds of information and staff-evoked social responses can allay the youths' emotionally rooted concerns. No effort is made in the self-management program to either foster patterns of group psychotherapy or utilize group dynamics to foster changes in individual behavior. These sessions are intended as learning situations involving concrete, socially helpful information; therapy, when indicated, is handled in an entirely different fashion.

Two lines of inquiry were attached to the self-management sessions. The first sought to develop information which could be of use to staff in order to map new areas of action and to strengthen aspects of the program under the general conditions set forth in the basic research design; there has been no reason to regret action decisions made on the basis of data flowing from self-management sessions; the second plane of investigation sought to elicit data having substantial value per se in clarifying or documenting hypothesized explanations of successful postinstitutional adjustment for RYT trainees and/or their failure to make a good adjustment. The RYT project, through self-management sessions, has been able to identify several priority areas in the mental and emotional preoccupations of the imprisoned youth which are likely to influence postinstitutional adjustment. Wherever possible, these priority concerns are being formalized into research hypotheses and integrated into the general research agenda of the program.

F. CONCERNS OF THE RYT TRAINEES

1. *Immaturity*

The most frequently expressed concern of RYT trainees is their failure to cope with their own needs, and the expectations imposed upon them by their

families, school, employers and the commonest rules of the community. There does not appear to be any clash between the codes of RYT youth who are members of the lower socioeconomic strata and their perception of the norms of the middle class. They simply feel awkward and respond awkwardly to most demands made upon them. Politeness expectations are dealt with by the same degree of confusion and anxiety as the more complicated threatening expectations advanced by official authority figures.

2. *Social reciprocation*

RYT youths' perceptions of people have been reduced to "me" which includes very few selected others and "they" referring to anyone who rightfully or wrongfully interposes any simple personal or social expectation. These youth have not been taught or have not learned that the essence of maturity involves the need to properly respond to legitimate demands made upon them and making acceptable demands upon others. Their most terrifying anxiety concerns how they will spend their time during the first days and weeks after release from prison and how this period of time will affect their new jobs. As the date of release approaches, self-management sessions reflect an increasing concern with the realities of employe expectations: "How should I do this?" "How should I say that?" "Suppose I'm late to work?" "How do I report sick?" "What if I need money urgently?" "What will happen if I'm fired?"

One interesting phenomenon observed during the study is that as a trainee becomes increasingly proficient with the demands of the data-processing procedures and manual handling of the machines, he becomes increasingly concerned with how he will handle the social demands of his employers. It has been repeatedly expressed by RYT youth that in previous jobs, very little was expected or demanded of them and they could "pretty well do as they pleased."

Although final validation waits upon full data at the conclusion of the experiment, it is presently possible to tentatively hold as valid the following hypothesis: Role maturity (in the role as worker) is related to successful postinstitutional adjustment. In a partial but nonetheless important sense, maturity has come to mean in the RYT program, increasing concrete knowledge about social expectations and specific skills in responding to these expectations.

3. *Community acceptance and rejection continuum*

An emerging dimension of the self-management sessions were the youth's barely articulate expression of being continuously rejected by the formal and informal institutions of the community. On the basis of inmate perceptions, it would be temptingly easy to generalize a continuum of community acceptance and rejection on which youth who have been imprisoned are assigned to the "rejection" end of the continuum. There is no empirical evidence to support this view. The trainees' perception of dynamics of acceptance and rejection appears to be a fantasy or rationale determined by their immaturity and a concomitant effort to reduce a personal sense of failure by picturing the community in terms of others' acceptance and/or rejection. In their minds, the "good boys" are accepted and those who have been legally stigmatized are rejected as "bad boys." The experience of the RYT program would suggest that no such continuum or hostility exists and if there is any single community expression or outlook toward youth who have been imprisoned, it is one of caution, uncertainty, or sheer indifference.

The excellent response of employers to hire youth who have been trained in the facilities of the department of correction, the excellent cooperation on the part of other New York City public and private agencies, the helpfulness and supportiveness of cooperating business organizations who have been called upon for assistance from time to time indicates that their traditional indifference is largely predicated upon never having been asked before to provide concrete aid to released youth; caution and uncertainty do not reflect rejection and are by no means handicapping for these youth. The novelty of employers' involvement in the RYT program realistically requires proof that they are moving in a direction that is as beneficial to them as agents of the community as it is to the youth for whom assistance is sought.

Earlier in this report it was suggested that the obvious success of the experimental subjects as compared to the control group members depends significantly upon RYT staff. This dependence may eventually develop into a symbiotic, self-defeating dependence. The youth feel, at present, that they may make demands upon RYT staff at any hour of the day or night, 7 days a week. And they do make these demands and have been encouraged to do so. That this

modality for RYT trainees is now available and never existed before indicates a weakness in both correctional programs and labor market programs. This facet is dealt with immediately below.

4. *Transitional structure*

This section is not meant to duplicate, repeat, or clarify the section above dealing with the relationship between RYT as a structure and the outcome of the experimental group. Rather, it is intended to serve a dual purpose (*a*) to reflect the youth's preoccupations during the self-management sessions as they focus on the need for some modality to help them during the weeks immediately following release from the correctional institution; and (*b*) to conceptualize the role that the RYT structure is performing as a link between corrections, the community, and the labor market. From the standpoint of confined youth, from the moment of their release, they are "on their own." Little effort is traditionally made to encourage or facilitate their return to school or to any type of educational or vocational program, there is no financial aid program or resources they can turn to—legal assistance is similarly absent. They are truly thrust back into their own inadequate means, immature skills without any mechanism to curb, delimit, or aid in the realization of the romantic dream, fantasies, and proper socially induced aspirations which youth possess. The youths' ignorance about the organization and workings of the labor market and their lack of information about even the most primitive avenues for articulating their needs and desires within the market encourage them to entertain the fiction of having been rejected. Perception of a hostile community serves to reduce motivation directed at trying to overcome their past stigma and self-defeating experience.

The RYT structure serves the trainees and their families (service to families will be discussed in a separate future report) by providing a vehicle for initiating actions related to adjustment during confinement which are continuously reinforced during the adjustment phase in the community. Through vocational training and job placement, RYT trainees are able to learn to accept employer demands and in turn learn to make responsible demands on employers; through the SM program the substantive aspects of job role maturation are transacted in realistic settings with a sense of their immediate and practical application upon release. Moreover, the RYT structure is specific in terms of both a segment of the labor market-employer community and a segment of the young offender population. RYT trainees do not compete for services. Services are available and they are encouraged to call upon them because they require it as a step in their maturation as young workers. Their reciprocity for the services rendered is in terms of enhanced usefulness to themselves, their families, and the community through successful job holding and conformity to the legal norms of the community.

An interpretation of the functional role of the RYT structure is that it fills a long-needed gap of providing a continuous avenue of training and communication between specialized segments of two complex institutions: corrections and the labor market. The "custom-made" nature of the job training, literacy instruction and self-management instruction for RYT trainees derives from and returns beneficially to specific, tailored requirements of industry. The specificity of the pattern of need and response and the specificity of the RYT structure it is felt, as indicated earlier, contributes to the successful adjustment of RYT trainees and suggests the type of modality required for expanding success patterns to larger groups of offenders.

5. *Institutional management and policy*

The popular notion of correctional personnel as authoritarian, arbitrary, harsh, insensitive, and cruel has no correspondence in the perceptual world of the young offenders in the New York City Correctional Institution for Men. As fully and spontaneously articulated in SM sessions, correctional personnel are perceived as just, cooperative, and actively helpful in situations requiring official assistance. There has not been one complaint from an RYT trainee which might be construed as a complaint against institutional management. Disciplinary measures which have been implemented, even stern measures, are perceived by youth not as "necessary evils," rather as deserved measures devoid of personal vengeance or antipathy. There is fundamental respect by the youth for institutional rules and the official agents of management. The absence, however, of long-range policy in respect to inmate planning and the often ad hoc management of inmate disciplinary problems deprives the correctional system of a more integrated and coherent effort for introducing change which can

effect postinstitutional adjustment. The absence of a sense of enmity between inmate and correction officer as agents of institutional management suggests that management could and ought to be operating with a greater measure of positive, interventive strategies predicated on long term objectives geared to the realities and opportunities in the community. While youth do not perceive officers as kindly "Santa Claus" personalities, their attitude is sufficiently favorable as to suggest that the RYT structure succeeds within the institutional structure not because, as originally thought, the RYT structure was a totally novel departure from conventional correctional services and structure, but rather because there exists a void in the inmates' needs and wishes for further, strengthened constructive guidance which is being met by the RYT pattern. The same type of success is likely within other correctional areas on the condition that the major constructs of the RYT program are followed. Thus, it would appear by the same reasoning, that control group failure is doubly reinforced (*a*) by the absence of the job training and placement efforts; and (*b*) by the absence of the positive, constructive guidance role performed by the RYT structure.

6. The inmate subculture

The social structure of the inmate subculture.—A good deal has been written about the existence in correctional institutions of "inmate subcultures." Informed observation by RYT staff, interviews with experimental and control group subjects and, especially, data emerging from the SM sessions, all attest to the existence of inmate groups with distinctive norms and values and an explicit pattern of roles which permit only inmates who by reason of assignment or housing became part of an interactional pattern.

An effort was made by RYT staff to determine the specific organizations of inmates involving RYT youth and to map the content of behavior in these subcultures with a view toward determining the extent to which these associational phenomena affect program outcome in terms of learning, performance and postinstitutional adjustment. A special report is in progress dealing with these relationships. It should be quite clearly understood, however, that RYT findings relating to subcultures in prison constitute an interesting byproduct of the broader study and may contribute data to basic social science concerning associational behavior under unusual conditions of social life. The major findings, in respect to inmate subcultures, is that from the standpoint of RYT objectives, they have little, if any, impact on prison adjustment or postinstitutional adjustment. It would seem that whenever a number of people, who by accident or choice, are thrown together and required to behave, they inevitably develop stable patterns of interaction with observable role and status configurations. The norms developed in these subcultures compel certain modes of behavior. However, the behaviors which emerge are not related to broader institutional patterns, do not impel the members into deviant acts or orientations which foster enmity toward correctional management nor do they appear to have any commitments of loyalty or conformity beyond the terms of imprisonment. The subcultures provide avenues of adjustment toward inmates whom one is required to live with or near, or work with, with no force to compel behavior or produce compliance to any norm or value that is other than superficial and transient. Neither the structure nor the content of these subcultures enhance or impair youth involvement in any phase of the RYT program. The RYT findings in respect to inmate subcultures imply that further effort directed at the study of such phenomena in their relationship to the consequences of imprisonment or their effect on eventual community adjustment of offenders would be ill-advised. When RYT staff completed the mapping of subculture phenomena of RYT youth, a question arose as to whether a plan to manipulate the organization and norms of the associational patterns might provide new avenues for acquiring data or new opportunities for enhancing program objectives. These phenomena, it was decide, have so little influence over the lives of confined youth that any effort to manipulate these patterns would be met with failure.

7. Racial competition

An important concern of both white and Negro youth in the RYT program has centered about the traditional societal role of superordinacy assigned to the latter. While white and Negro youth live and learn together in the correctional institutions, friendships and basic interactional patterns are based on racial considerations. Staff efforts to probe the degree to which racial competition affects the job learning process and subsequent adjustment have not provided any meaningful or even promising leads. Since job placements are effectuated

on the basis of employer needs for skilled trainees and since there has been no evidence of employers giving preference to either whites or Negroes, the expressed concerns of RYT youth about racial differences and differentiation of power reflect a more generalized interest and preoccupation. While there is discernable competition between the races in the program as there is on this issue throughout the correctional system and throughout the community, there has been no corrosion of the competitive factor into racial tension, conflict or aggression of any kind as to hint at an impact on any aspect of the program.

8. Achievement competition

There has been a good deal of achievement competition evident since the initiation of the program. Youths in a particular training cycle compete among each other for higher grades in job training operations, compete for instructor approval on cooperativeness, special processing machine assignments and recognition for outstanding performance. In addition, there has been competition between training cycles; the second training cycle has expressed concern over being better than the first; the third is concerned with being better than the first two, and all trainees are concerned with being better trained and equipped to hold jobs in industry than those who, although more educated and less handicapped by correctional stigma, are trained in private data processing machine institutes and schools.

Educators have long pondered the question concerning the efficacy and the desirability of competition for young scholars. The RYT program, in part a learning experiment, has little to contribute to the debate. Staff has done little to foster or discourage competition. In the social and cultural environment of the prison, the trainees are much concerned with competition. Whether competition has been fostered inadvertently and whether there has been an impact of such competition on the program is extremely difficult to detect and document. RYT data show that learning the required program content has been entirely satisfactory. Whether the competition which is perceived by the trainees and which deeply concern them, enhances or impairs their learning capacities must remain, until there is further data, an important but unanswerable question.

[From the Industrial Bulletin, January 1965 issue]

Manpower Development and Training Act in Utica

Utica is a community in central New York's picturesque Mohawk Valley. It is a city which has had, for a generation, its share of unemployment problems. Today, things are brightening.

The community is knee-deep in training and retraining projects—all under the State-Federal Manpower Development and Training Act. While no one suggests that the Manpower Development and Training Act is a remedy for all the ills of an area hard hit by defense cutbacks, many agree that Utica's fortunes are on the rise and that the Manpower Development and Training Act is partly responsible.

Fifteen years ago, when Utica's textile-oriented economy ceased to boom, the city undertook a diversification program that helped bring a decade of relative job prosperity. The community of about 100,000 residents attracted such firms as General Electric, Bendix, and Chicago Pneumatic, among others. Many smaller firms came and satellited around the sprawling Griffiss Air Force Base at Rome, about 15 miles from Utica, Oneida County's largest city.

By the start of the 1960's, however, Utica's future had darkened again. With its sister city of Rome, plus the Mohawk Valley towns to the east and its own burgeoning suburbs, Utica had become as dependent on national defense and Federal Government jobs as it had once been reliant on—and famous for—textiles. Then came several major defense contract cancellations—notably that of General Electric's Skybolt in 1963. General Electric's all-time high employment of 7,500 in August 1962 dropped to about 5,700. On top of that, in late 1963 the Defense Department announced the phaseout over a 3½-year period of the Rome Air Materiel Area (ROAMA) at Griffiss Air Force Base, and consequently a loss of 2,761 civilian jobs.

The majority of the workers laid off at General Electric—as well as those due to be phased out at ROAMA and not wishing to transfer to other cities—were either unskilled or semiskilled. For them to become employable, retraining was or would be imperative.

In early 1962 the U.S. Department of Labor placed Utica in its "D" category—substantial unemployment. Since then, Utica has never left this category.

Keeping the foregoing picture in mind, an observer of the Utica employment scene could not help but be impressed by one important development which for the past 2 years has been bucking the jobless trend.

This is Utica's dramatic implementation of the State-Federal Manpower Development and Training Act. The Manpower Development and Training Act is managed in New York by the State labor department's division of employment and the State education department, each with specific roles to perform. It is financed by the Federal Government. Funds are made available to school officials in localities like Utica to provide training for the unemployed, for those working substantially less than full time, for those whose skills have become or are becoming obsolete, and for young people 16 or older who need training to qualify for work.

Nelson Hopper, director of the division of employment's office of manpower development says: "Those of us who are helping to administer these training and retraining programs recognize that the Manpower Development and Training Act can't solve all of a community's unemployment problems.

"The Manpower Development and Training Act, however, does help a community, such as Utica, by training or retraining people to fill jobs that may have been vacant for months—due to the lack of skilled personnel. We don't create jobs through these programs, but we do get many existing vacancies filled with qualified workers. Utica is a good example of this."

For the past 2 years, newspaper headlines of a happier tone have vied with the ones chronicling layoffs at area companies and the ROAMA phaseout story.

Behind these newer headlines lies a succession of human interest stories in which the Manpower Development and Training Act has helped many people break out of the ranks of the unemployed. One example: Recently, a Utica man, acknowledging that being unemployed most of the time is "a lousy way to live" came to Jess Sweeting of the State labor department's division of employment in Utica, and asked for help. He was assigned to a 30-week cooking course at Morrisville Agriculture and Technical Institute. The man completed the course and landed a job at $7,200 a year with the Grace Steamship Lines. Most of his fellow graduates are now working at wages averaging $85 a week, with prospects of considerably more as they gain experience.

Two more unemployed men in Utica got jobs as machinists with Chicago Pneumatic and Remington Rand's UNIVAC Division after completing a 17-week machine tool course.

A middle-aged woman who had not worked in 23 years is now employed as a cashier in one of the city's supermarkets after completing a 3-week cashier's course. With the trend to huge supermarkets, there is a constant demand for skilled cashiers trained not only in the operation of cash registers but in detection of counterfeit currency, packaging, etc.

Utica school leaders and State employment service officials have not been so enthusiastic about a retraining program since the city launched its job diversification program more than a decade ago.

"If we don't have them, we'll train them," declares Charles L. Finch, Utica district superintendent for the division of employment. Mr. Finch points out a number of advantages of the Manpower Development and Training Act, compared to the previous community action program of 1952 which received no Federal or State aid.

"The Manpower Development and Training Act program is more flexible," he says. "For example, we can take on a Utica man who, on his own, could not afford to go out of town for training. It is common under the Manpower Development and Training Act to send a trainee to another city for a special course or to bring an out-of-towner into Utica."

During a recent conference with U.S. Labor Department officials in Washington, Utica was one of the cities selected as a model for the Manpower Development and Training Act programs based on the community's 1952 project. That 1952 community action program, formed in response to the "loom-to-boom" industrial diversification drive, retrained 1,200 workers, many of them unskilled textile laborers.

The current Manpower Development and Training Act program already has played a part in keeping old industry alive and spurring new. Mr. Finch illustrates the point with the case of glovecutters who were trained under a Manpower Development and Training Act program in Utica for employment

in nearby Gloversville where practitioners of the rare trade now average 68 years of age. This influx of trainees is helping to keep the glovemaking industry functioning. More recently, two electronics assemblers were trained to fill known job openings at an electronics plant which at the time had not even begun operations in Utica.

Mr. Finch reports that, as of early this winter, 36 courses were either completed or in progress in the Utica district which includes Rome, Herkimer, Little Falls, Amsterdam, Massena, Ogdensburg, and Gloversville. Another 16 courses are in some stage of development.

Since the first course—in auto mechanics, with 15 trainees, all previously unemployed—453 people in the Utica area have completed job training. Nearly 200 more were enrolled in training courses in mid-November in Utica, Rome, or Herkimer. Mr. Hopper estimates that about 82 percent of all graduates now are employed in the fields in which they were trained. The Utica figure exceeds the State average, which is about 70 percent.

Since March 1963, the Manpower Development and Training Act activities in Utica have had a full-time administrator, working under Sherman R. Mears, vocational director for the Utica public schools and educational coordinator for the Manpower Development and Training Act. He is Nicholas Aquaviva, a former industrial arts teacher at Utica Free Academy, Utica's largest senior high school. And, the Utica Manpower Development and Training Act operation is one of the few in the State to have its own facility for administration and training. It is a renovated garage not far from Utica's downtown area. Machine shops and auto mechanic's shops at the city's two public schools also have been used for classes.

The State employment service provides the following list of courses completed, in progress and scheduled for the immediate future, with the number of trainees and, where possible, the number employed in jobs related to training. The list covers Utica only:

Courses completed.—Cashier, 73 completed training, 48 employed; sewing machine operator, 96 and 57; auto mechanic, 29 and 26; auto service station attendant, 22 and 19; cook, 14 and 11; machine operator, 77 and 54. Thirteen other courses have been completed in other cities which are part of the Utica district.

Courses in progress.—Cook, 17 in training; tailor, 14; cashier, 15; auto mechanic, 15; auto service station attendant, 12. Thirteen other courses are in progress elsewhere in the district.

The latest projects approved call for the training of general machine operators and lithoduplicator operators. Fifteen people began the machine operator course last November 17. The 12-week lithoduplicator class gets underway this month.

A neglected trade—tailoring—is getting new blood from an 18-week course in Utica. According to John J. Mahoney, senior manager for the division of employment in Utica, the program has the strong backing of the Downtown Utica Merchants Association (DUMA) and other area employers who were unable to fill job openings.

"To my knowledge, there hasn't been any training or schooling of tailors in this country in 50 years," says Mr. Mahoney. "Almost all our tailors are at, or beyond, retirement age." He stresses that the short course could not qualify graduates immediately for $80 to $120-a-week jobs. But, graduates, he points out, would be qualified for positions as alteration assistants working with tailors in Utica retail stores. Another 6 to 8 years experience is required to produce a full-fledged tailor capable of turning out a man's suit. The Manpower Development and Training Act training, at least in this instance, gets the worker into the field in entrance level jobs. From then on, as in other jobs or, for that matter, the professions, the individual's abilities and drive determine his ultimate success.

The tailor's class also illustrates how training materials from one course can be utilized in another. Utica authorities purchased a battery of sewing machines, installed them at the Manpower Development and Training Act training center and began plans to train 235 women as operators. When employment opportunities for sewing machine operators did not come up to expectations—a rarity—the program was phased out. The sewing machines are now used to train apprentice tailors.

Often a course renders a distinct service to Uticans. For example, last summer a Utica service station owner told one of his customers that there was a real

shortage of capable service station attendants in town. The customer happened to be Mr. Mears. Later the garage where Mr. Mears heard the comment was selected as a site for trainee participation. A division of employment survey showed at least 37 jobs were available for trained garage attendants in Utica. The first of 4 classes, with 12 trainees, was scheduled for completion January 8.

Due to be completed in mid-1965 in Herkimer, Ogdensburg, and Amsterdam are practical nurse courses, each lasting 48 weeks. Sixty-two women are currently in training.

"Fantastic" and "unbelievable" are two of the words that Alfred Helbach, Herkimer Memorial Hospital administrator, uses to describe the work of the practical nurse trainees studying at his hospital. The women work in the kitchen, in maternity, in the recovery rooms, in surgery, in central records. By July they will be qualified to take the State examinations for licensing. Such a course will be started in Utica early in 1965.

The ultimate accomplishment of the Manpower Development and Training Act in Utica will be measured both in human and in economic terms, according to Mr. Hopper. The dramatic facts speak for themselves: unskilled workers who have been converted into skilled employees; once-jobless men are now earning from $1.85 to $3 an hour. And for the entire community, there is increased ability to cope with the changing demands of its local labor market, and to work for economic stability and growth.

[U.S. Department of Labor, Manpower Administration, Manpower/Automation Research Memorandum, February 1965]

Formal Occupational Training of Adult Workers—Its Extent, Nature, and Use

A study conducted by the Bureau of Labor Statistics for the Office of Manpower, Automation and Training

BACKGROUND OF THE STUDY

This memorandum discusses the results and implications of a nationwide survey of workers' preparation for jobs, conducted by the Bureau of Labor Statistics for the Office of Manpower, Automation and Training under title I of the Manpower Development and Training Act. Based on data collected in April 1963, the survey covered a household sample representing all workers aged 22 through 64 in the civilian labor force at the time of the survey. The primary focus of the survey was the training background of workers who had completed less than 3 years of college. This group of workers accounted for 52.1 million of the 60.8 million workers in the selected age group in the civilian labor force.

Formal occupational training was defined to include programs taken in high schools, junior or teachers colleges, technical institutes, special schools (e.g., a business or nursing school), correspondence schools, company training schools (full-time study for at least 6 weeks), apprenticeship, or the Armed Forces.

MAJOR FINDINGS

(1) Thirty-nine percent of all workers had taken some form of formal job training but had less than 3 years of college. Nearly two-thirds of this group had graduated from high school. Three-fifths of them were using their training in employment.

(2) Forty-seven percent had no formal job training and had not completed 3 years of college. Half of this group had never gone beyond elementary school and only about one-fourth of them had completed high school.

(3) Fourteen percent had completed at least 3 years of college. Nearly four-fifths of them were working in jobs related to their college training.

As the above figures indicate, the presence of training was closely connected with educational attainment, and the proportion of trained workers increased with each higher level of schooling. As a result, younger workers were more likely to have taken training than were older workers; white workers were more frequently trained than nonwhites; and more of the employed than the unemployed had taken training. However, unemployment rates were more closely related to general educational attainment than to vocational training, with a notable except for workers with less than 8 years of formal schooling. Among

these workers the unemployment rate was much lower when formal job training had been taken.

The relationship between educational attainment and presence of job training reflects, to a large extent, the concentration of formal job training in educational institutions. Almost two-fifths of the training programs had been taken in high schools and another three-tenths in junior colleges, technical institutes, and special schools.

IMPLICATIONS

After excluding workers with 3 or more years of college, 55 percent of the adult civilian labor force had taken no formal training. Seven-tenths of this group also lacked a high school diploma. At a time when technological innovations are generating demand for workers with more education and higher skills, and curtailing job opportunities for the less educated and the unskilled, this high percentage of untrained workers indicates need for expanded manpower development activities. The close relationship between level of general education and the presence of job training, plus the high proportion of training being offered in secondary schools implies that the schools offer the broadest possible base for this expansion of occupational training. Survey findings suggest, further, that the two most critical manpower development policies of the future should include strong attempts to keep young people in school, where their employability is improved, and extensive training efforts for school dropouts, who tend to lack job training because of their lower educational attainment.

The survey data imply the basic soundness of certain aspects of the Manpower Development and Training Act training programs on which some critics have been skeptical of success. The practicality of training older workers on a large scale is indicated by the sizable number of older workers who had started vocational training after age 35 (nearly a fourth of the men and a fifth of the women), and the high rate of use in employment for such training. The value of formal training for workers with the lowest educational attainment is indicated by the much lower unemployment rates among workers with less than 8 years of formal education who have taken some form of occupational training.

The 1963 survey made clear some special needs of particular groups within the labor force. For example, nonwhite workers had less job training than white workers, even for the same levels of general education, and lower rates of use in employment for the training they do possess. Further research is needed here to determine the possible relationship of such factors as inadequate counseling and guidance, and deficiencies in curriculums of segregated schools to these lower training rates, and the extent to which discrimination in hiring or differences in the quality of training received by nonwhites and whites accounts for the lower rates of use of training found among nonwhite workers.

The wide variation found in the use of training in employment from occupation to occupation raises questions with respect to those occupations having particularly low rates of training use. Explanation of low rates of training use may lie in the fact that some training is not taken for vocational purposes, that it becomes obsolete quickly, that it is misdirected toward occupations with poor employment prospects, that it is not sufficiently thorough for vocational use, that the quality of instruction is poor, or that counseling and guidance services are inadequate. Further research is called for on qualitative aspects of training, which this survey did not examine. However, the use rates found in this survey might well be used, together with other information, by school authorities in planning vocational curriculums and allocating resources for training to various occupational fields.

This first nationwide survey of the job preparation of American workers has provided the most complete inventory of our formal training resources to date. However, the adequacy of these resources cannot be judged until we have detailed information on the nature and urgency of our training requirements. Continuing efforts to appraise the Nation's manpower development efforts should include research directed to a measurement of training needs to be used along with this or future inventories of training accomplishments.

Also included in the many additional areas where research is recommended before a full assessment of our training system can be made is the optimum relationship between formal and informal training and the special training needs and employment problems of particular subgroups within the labor force.

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER

OF THE

COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE

EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

S. 974

A BILL TO AMEND THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED, AND FOR OTHER PURPOSES

FEBRUARY 9, 10, AND 19, 1965

Printed for the use of the
Committee on Labor and Public Welfare

U.S. GOVERNMENT PRINTING OFFICE
43-822 WASHINGTON : 1965

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AMENDING THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

TUESDAY, FEBRUARY 9, 1965

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 4200, New Senate Office Building, Senator Joseph S. Clark (chairman of the subcommittee) presiding.

Present: Senators Clark, Randolph, Pell, Kennedy of Massachusetts, Nelson, Kennedy of New York, Javits, Prouty, and Murphy, members of the subcommittee; and Kennedy of New York, member of the full committee.

Committee staff members present: Stewart E. McClure, chief clerk; William C. Smith, counsel to the subcommittee; and Stephen Kurzman, minority counsel.

Senator CLARK. The subcommittee will be in session.

Before we move forward with the work today I would like to note my personal gratification on the one hand and some mild sadness on the other in greeting at the opposite side of the witness table two former employees of the Committee on Labor and Public Welfare who have now deserted and gone over to the executive branch of the Government where we hope their eyes and ears will still be available to the committee and the subcommittee. First, Sam Merrick, who served so long with us and Ed Friedman, who was our strong right arm during the comprehensive hearings we had last year have gone off to greater glory. Gentlemen, I am happy and I am sure all the other members of the subcommittee are happy, too, to have you back to give us your help on the legislation we are about to consider and to assist our very able Secretary of Labor in his constant association and very happy association with this subcommittee.

Today the Subcommittee on Employment and Manpower begins hearings on a bill to amend the Manpower Development and Training Act of 1962. I introduced this bill at the request of the administration and of the Secretary of Labor and it was referred to the subcommittee.

(S. 974 and report from the Bureau of the Budget follow:)

89TH CONGRESS
1ST SESSION

S. 974

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1965

Mr. CLARK (for himself and Mr. PELL) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Manpower Act of 1965".
4 SEC. 2. (a) Section 102 (5) of the Manpower Develop-
5 ment and Training Act, as amended (hereinafter referred
6 to as the "Act"), is amended by adding a comma after the
7 word "arrange" and inserting "through grants or contracts,"
8 immediately following the comma.
9 (b) Section 102 of the Act is further amended by adding
10 new paragraphs (6) and (7) at the end thereof to read as
11 follows:

1 "(6) establish a program of experimental, develop-
2 mental, demonstration, and pilot projects, through grants
3 or contracts, with public or private nonprofit agencies,
4 for the purpose of improving techniques and demonstrat-
5 ing the effectiveness of specialized methods in meeting
6 the manpower, employment, and training problems of
7 worker groups such as the long-term unemployed, dis-
8 advantaged youth, displaced older workers, the handi-
9 capped, members of minority groups, and other similar
10 groups. In carrying out this subsection the Secretary
11 of Labor shall, where appropriate, consult with the
12 Secretaries of Health, Education, and Welfare, and
13 Commerce, and the Director of the Office of Economic
14 Opportunity. Where programs under this section re-
15 quire institutional training, appropriate arrangements for
16 such training shall be agreed to by the Secretary of
17 Labor and the Secretary of Health, Education, and Wel-
18 fare. He shall also seek the advice of consultants with
19 respect to the standards governing the adequacy and
20 design of proposals, the ability of applicants, and the
21 priority of projects in meeting the objectives of the Act;
22 "(7) stimulate and assist, in cooperation with in-
23 terested agencies both public and private, job develop-
24 ment programs, through on-the-job training and other
25 suitable methods, that will serve to expand employment

1 by the filling of those service and related needs which
2 are not now being met because of lack of trained work-
3 ers or other reasons affecting employment or opportuni-
4 ties for employment."
5 SEC. 3. Sections 103 and 104 are renumbered 105 and
6 106 and new sections 103 and 104 are added to read as
7 follows:
8 "LABOR MOBILITY DEMONSTRATION PROJECTS
9 "SEC. 103. (a) During the period ending June 30,
10 1967, the Secretary of Labor shall develop and carry out,
11 in a limited number of geographical areas, pilot projects
12 designed to assess or demonstrate the effectiveness in reduc-
13 ing unemployment of programs to increase the mobility of
14 unemployed workers by providing assistance to meet their
15 relocation expenses. In carrying out such projects the Secre-
16 tary may provide such assistance, in the form of grants or
17 loans, or both, only to involuntarily unemployed individuals
18 who cannot reasonably be expected to secure full-time em-
19 ployment in the community in which they reside, have bona
20 fide offers of employment (other than temporary or seasonal
21 employment), and are deemed qualified to perform the work
22 for which they are being employed.
23 "(b) Loans or grants provided under this section shall
24 be subject to such terms and conditions as the Secretary shall
25 prescribe, with loans subject to the following limitations:

1 "(1) there is reasonable assurance of repayment of
2 the loan;
3 "(2) the credit is not otherwise available on rea-
4 sonable terms from private sources or other Federal,
5 State, or local programs;
6 "(3) the amount of the loan, together with other
7 funds available, is adequate to assure achievement of the
8 purposes for which the loan is made;
9 "(4) the loan bears interest at a rate not less than
10 (A) a rate determined by the Secretary of the Treasury,
11 taking into consideration the average market yield on
12 outstanding Treasury obligations of comparable maturity,
13 plus (B) such additional charge, if any, toward covering
14 other costs of the program as the Secretary may deter-
15 mine to be consistent with its purposes; and
16 "(5) the loan is repayable within not more than
17 ten years.
18 "(c) Of the funds appropriated for a fiscal year to
19 carry out this Act, not more than $5,000,000 may be used
20 for the purposes of this section.
21 "TRAINEE BONDING DEMONSTRATION PROJECTS
22 "SEC. 104. During the period ending June 30, 1967, the
23 Secretary shall develop and carry out experimental and
24 demonstration projects to assist in the placement of persons
25 seeking employment through a public employment office

1 who have successfully completed or participated in a federally
2 assisted or financed training, counseling, work training, or
3 work experience program and who, after appropriate coun-
4 seling, have been found by the Secretary to be qualified and
5 suitable for the employment in question, but to whom em-
6 ployment is or may be denied for reasons other than ability
7 to perform, including difficulty in securing bonds for indemni-
8 fying their employers against loss from the infidelity, dis-
9 honesty, or default of such persons. In carrying out these
10 projects the Secretary may make payments to or contracts
11 with employers or institutions authorized to indemnify em-
12 ployers against such losses. Of the funds appropriated
13 for fiscal years ending June 30, 1966, and June 30, 1967,
14 not more than $200,000 and $300,000, respectively, may
15 be used for the purpose of carrying out this section."

16 SEC. 4. Section 202 (i) of the Act is amended by strik-
17 ing the words "and such persons shall be eligible for training
18 allowances for not to exceed an additional twenty weeks.",
19 and by changing the comma after the word "Act" to a
20 period.

21 SEC. 5. (a) Section 203 (a) of the Act is amended as
22 follows:

23 (1) Amend the second sentence thereof to read as
24 follows: "Such payments shall be made for a period not

1 exceeding one hundred and four weeks, and the basic
2 amount of any such payment in any week for persons
3 undergoing training, including uncompensated employer-
4 provided training, shall not exceed $10 more than the
5 amount of the average weekly unemployment compen-
6 sation payment (including allowances for dependents)
7 for a week of total unemployment in the State making
8 such payments during the most recent four-calendar-
9 quarter period for which such data are available: *Pro-*
10 *vided,* That the basic amount of such payments may be
11 increased by $5 a week for each dependent over two up
12 to a maximum of four additional dependents: *Provided*
13 *further,* That in any week an individual who, but for
14 his training, would be entitled to unemployment com-
15 pensation in excess of his total allowance, including
16 payments for dependents, shall receive an allowance in-
17 creased by the amount of such excess.";
18 (2) Amend the second paragraph thereof to read as
19 follows:
20 "With respect to any week for which a person receives
21 unemployment compensation under title XV of the Social
22 Security Act or any other Federal or State unemployment
23 compensation law which is less than the total training allow-
24 ance, including payments for dependents, provided for by the
25 preceding paragraph, a supplemental training allowance

1 may be paid to a person eligible for a training allowance
2 under this Act. The supplemental training allowance shall
3 not exceed the difference between his unemployment compen-
4 sation and the training allowance provided by the preceding
5 paragraph.";

6 (3) Insert the words "under the training program"
7 after "compensated hours per week" in the third para-
8 graph of such subsection;

9 (4) In lieu of the fourth paragraph of such sub-
10 section insert the following:

11 "The training allowance of a person engaged in training
12 under section 204 or 231 shall not be reduced on account
13 of employment (other than employment under an on-the-job
14 training program under section 204) which does not exceed
15 twenty hours per week, but shall be reduced in an amount
16 equal to his full earnings for hours worked in excess of twenty
17 hours per week."

18 (b) Section 203 (b) of the Act is amended by inserting
19 a comma after the word "transportation" where it first
20 occurs, striking out the language after that word and before
21 the word "*Provided*" and inserting the following in lieu
22 thereof: "and when such training is provided in facilities
23 which are not within commuting distance of the trainee's
24 regular place of residence, subsistence expenses for separate
25 maintenance of the trainee:".

1 (c) Section 203 (c) of the Act is amended as follows:
2 (1) Strike the words "not less than" and insert
3 "at least" in lieu thereof;
4 (2) Insert a colon after the words "gainful employ-
5 ment", strike everything in the first sentence after the
6 words "gainful employment", and insert the following
7 in lieu thereof: "*Provided,* That they are not members
8 of a family or a household in which the head of the
9 family or the head of the household as defined in the
10 Internal Revenue Code of 1954 is employed.";
11 (3) Amend the last sentence to read as follows:
12 "The number of youths under the age of twenty-two
13 who are receiving training allowances shall, except for
14 such adjustments as may be necessary for effective man-
15 agement of programs under this section, not exceed 25
16 per centum of all persons receiving such allowances
17 (or who would be entitled thereto but for the receipt
18 of unemployment compensation)."
19 (d) Section 203 (d) is amended to read as follows:
20 "For the fiscal year ending June 30, 1966, and for each
21 fiscal year thereafter, Federal payments for training allow-
22 ances under this section, or as reimbursement for unemploy-
23 ment compensation under subsection (h), shall be paid in
24 accordance with the provisions of section 241."
25 (e) Section 203 (h) (2) of the Act is amended by strik-

1 ing everything in the first sentence after the term "1965"
2 and inserting in lieu thereof "and for 90 per centum of the
3 amount of such benefits paid thereafter."
4 SEC. 6. Section 208 is repealed.
5 SEC. 7. Section 231 of the Act is amended by striking
6 the third sentence and inserting the following in lieu thereof:
7 "For the fiscal year ending June 30, 1965, Federal pay-
8 ments under this part shall be 100 per centum of the cost of
9 carrying out the agreement, and for the fiscal year ending
10 June 30, 1966, and for each fiscal year thereafter, Federal
11 payments under this part shall be made in accordance with
12 the provisions of section 241."
13 SEC. 8. Title II of the Act is amended by adding part C
14 to the end thereof to read as follows:
15 "PART C—FEDERAL PAYMENTS FOR TRAINING AND
16 TRAINING ALLOWANCES
17 "SEC. 241. During the fiscal year ending June 30,
18 1966, and for each fiscal year thereafter, Federal payments
19 for training allowances and for reimbursements for unem-
20 ployment compensation under section 203 and for training
21 programs under section 231 shall be limited to 90 per centum
22 of the total of all such costs. Expenditures from non-Federal
23 sources may be made in cash or kind, fairly evaluated, in-
24 cluding but not limited to plant, equipment, and services."

1 SEC. 9. Title II of the Act is amended by adding part
2 D to the end thereof to read as follows:

3 "PART D—REDEVELOPMENT AREAS

4 "SEC. 251. (a) Notwithstanding any limitation in the
5 other provisions of this Act, the Secretaries of Labor and
6 of Health, Education, and Welfare, in accordance with their
7 respective responsibilities under parts A and B of this title,
8 are authorized to provide a supplementary program of train-
9 ing and training allowances, in consultation with the Sec-
10 retary of Commerce, for unemployed and underemployed
11 persons residing in areas designated as redevelopment areas
12 under the Area Redevelopment Act. Such program shall,
13 insofar as practicable, be carried out by the Secretaries of
14 Labor and of Health, Education, and Welfare in accordance
15 with the provisions otherwise applicable to programs under
16 this Act and with their respective functions under those
17 provisions, except that—

18 "(1) the Secretary of Labor, in consultation with
19 the Secretary of Commerce, shall determine the needs
20 and the eligibility of persons for training under this
21 section;

22 "(2) the Secretaries of Labor and of Health, Edu-
23 cation, and Welfare shall, each with respect to his
24 functions under this section, prescribe jointly with the
25 Secretary of Commerce such rules and regulations as

1 may be necessary to carry out the purposes of this
2 section; and
3 "(3) no funds available under this section shall
4 be generally allocated to any State pursuant to any
5 agreement entered into under this Act, nor shall any
6 State or local matching funds be generally required,
7 nor shall any apportionment of funds be made among
8 the several States, except as the Secretary of Labor
9 or the Secretary of Health, Education, and Welfare,
10 as the case may be, jointly with the Secretary of Com-
11 merce, may deem appropriate, giving adequate con-
12 sideration to the relative needs of the eligible areas.
13 "(b) There are hereby authorized to be appropriated
14 for each fiscal year such amounts as may be necessary to
15 carry out this section.
16 "(c) The expiration or termination of any other part
17 of this Act shall not terminate the authority conferred by
18 this section unless an Act of Congress explicitly so provides."
19 SEC. 10. Section 302 of the Act is amended by striking
20 the word "and" following "the Smith-Hughes Vocational
21 Education Act," inserting a comma in lieu thereof, and in-
22 serting "and the Vocational Education Act of 1963," fol-
23 lowing "the Vocational Education Act of 1946."
24 SEC. 11. Section 304 is amended to read as follows:
25 "SEC. 304. For the purpose of carrying out this Act

1 there are hereby authorized to be appropriated for the fiscal
2 year ending June 30, 1966, and for each fiscal year there-
3 after such amounts as may be necessary."
4 SEC. 12. The following subsection is added to section
5 305 of the Act to read as follows:
6 "(e) The costs of all training programs approved in any
7 fiscal year, including the total cost of training allowances for
8 such programs, may be paid from funds appropriated for
9 such purposes for that fiscal year; and the amount of the
10 Federal payment shall be computed on the basis of the per
11 centum requirement in effect at the time such programs are
12 approved: *Provided,* That funds appropriated for the fiscal
13 year ending June 30, 1966, may be expended for training
14 programs approved under this Act prior to July 1, 1965, and
15 expenditures for such purposes shall be subject to the match-
16 ing requirements in effect at the time such programs were
17 approved."
18 SEC. 13. Sections 309 (a) and 309 (b) are both amended
19 by striking "Prior to March 1, 1963, and again prior to April
20 1, 1964, April 1, 1965, and April 1, 1966" and inserting in
21 lieu thereof: "Prior to April 1 in each year."
22 SEC. 14. Title III is amended by repealing section 310.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 1, 1965.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for comments on S. 974, a bill to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

S. 974 would amend the Manpower Development and Training Act in the following respects: (1) The current termination date of June 30, 1966, for title II of the act would be eliminated. (2) The one-third State matching requirement for institutional training, beginning July 1, 1965, under current law, would be amended to require not less than 10 percent non-Federal contributions, with non-Federal matching permitted in cash or in kind. (3) Explicit authority for experimental and demonstration programs would be provided in title I. (4) The bill would authorize job development programs to fill service needs not now being met. (5) Authorization for labor mobility demonstration projects would be extended for 2 years and the dollar authorization would be increased from $4 to $5 million a year. (6) Pilot trainee bonding demonstration projects would be authorized. (7) Changes in authority for training allowances would be made to (*a*) increase maximum duration of allowances from 1 to 2 years, (*b*) permit single persons without dependents to receive allowances, and (*c*) increase the maximum amount of allowances by $5 a week for each dependent over two up to a maximum of six. (8) Specific authority for training in redevelopment areas, currently embodied in the Area Redevelopment Act, would be incorporated in the Manpower Development and Training Act. (9) The present monetary limitations for each title would be eliminated.

The provisions of the Manpower Development and Training Act have made a significant contribution toward combating unemployment among youths and adults in the United States. It is believed, however, that certain changes in the basic act are necessary to enhance its effectiveness.

The President stated in his message to the Congress on the 1966 budget that "Recommendations will also be made to broaden the Manpower Development and Training Act and increase the Federal share of project cost to 90 from 66 percent which would go into effect under present law in 1966." The provisions outlined above and others embodied in S. 974 will carry out the intent of the President's statement.

In view of the above, enactment of S. 974 would be in accord with the President's program.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Senator CLARK. This bill would make the Manpower Development and Training Act permanent, it directs the Secretary of Labor to assist in the development of programs to train unemployed workers for jobs in service and related fields, to expand the Secretary's authority to permit demonstration projects in meeting employment problems with worker groups.

The bill increases from $4 to $5 million the amounts available for healthy working families to move to new jobs, it increases the duration of training allowances to 2 years, it permits payment of additional allowances for dependents, it removes the limitations on the number of young people who can be retrained.

Finally, the bill increases the Federal Government's share of retraining costs to 90 percent instead of the 50–50 cost sharing plan originally envisioned under the Manpower Development and Training Act.

The subcommittee will study these proposed amendments with care and interest.

I think I am probably right in saying that we could not have adopted these amendments as part of the original act; I imagine some of them will be fairly controversial now.

The experience which the Labor Department has had with the act must be our principal guide in determining the desirability and validity of the proposed amendments.

We think of the Manpower Development and Training Act as a very special offspring of this subcommittee's labors; we want to see it succeed and succeed well, but we continue to be disturbed over the persistently high rate of unemployment which prevails despite the extraordinary 4 years of continuous economic expansion. We are, of course, heartened by the recent dip of unemployment below 5 percent, but speaking for the chairman and perhaps many of his colleagues on the subcommittee, I believe that this is still a wastefully high rate of joblessness for the richest and most productive nation in history. A majority of the subcommittee have already stated on other occasions as they view the manpower limitations of economic policy as the toughest, unresolved domestic concern in the land today. For this reason, once legislative action on these proposed amendments has been concluded, the subcommittee will proceed to consider other issues and legislative proposals directed toward putting idle manpower to work.

In the months to come we should concern ourselves with the operations of the public employment services, we shall continue our studies of the employment impact, the defense shutdowns, and hopefully recommend legislation. We will study the effects of research expenditures on the structure of distribution of the country's scientific and technical manpower. We shall be making recommendations in such fields as on-the-job training and the transferability of pension rights.

My own ambition is to see whether, by the end of this session of Congress, we will not have a much clearer view of the desirability and hopefully will have taken action in some sort or other in all of the 24 areas of recommendations which this subcommittee made in its comprehensive report on manpower and employment problems which was published last May.

This is perhaps a good time to say that in addition to the report itself we have either published or are in the course of publishing 10 rather comprehensive volumes outlining the testimony and papers which were submitted to the subcommittee in its comprehensive efforts last year.

I am happy to report that there has been a wide demand for these publications and they are now on sale at the Government Printing Office; while perhaps they have not achieved a rank of a bestseller by James Bond, they are receiving a good deal of interest in the economic expertise community throughout the country.

I am sure the present administration will agree with us that the primary national goal on the domestic front in the next few years must be the restoration of full employment. We will therefore welcome a contribution to our deliberations and I will now ask Senator Prouty to make a comment.

Senator PROUTY. Mr. Chairman, in my judgment too much is expected of the Manpower Development and Training Act and too little has been accomplished under it. The act was expected to give the older unemployed man a new grip on life. For the most part, in this mission it has failed.

It was expected, at least by some of us in the Congress, that individual problems would be given individual attention. But all too often the jobless fellow who wants to pursue a certain type of training must wait and wait until that one bright day when several others want the same type of training.

If only one unemployed man in a given State wants to be a french pastry chef, for example, and there is a skill shortage in this occupation, then I say he should get the training.

If the law makes this difficult or impossible now, let us change the law.

As for the older unemployed worker, I would not place the complete responsibility for his unhappy situation on the Department of Labor. Yet I think the Department can do better.

It has been my hope through Republican and Democratic administrations alike that someone would bring forward a plan which would facilitate the transferability of employee pension rights from one place of employment to another. That hope has been a vain one.

In the dynamic economy of today few workers can expect to spend a lifetime working for the same employer.

And most men and women who lose their jobs also lose pension rights and thus the security of old age, even if they obtain other employment.

We should mark well the fact that on too many occasions a prospective employer will not take on a displaced middle aged or older workman, even if he is competent. Why is this so? Simply because the employer would have to assume the cost of pension and disability protections which he could defer for years or get at a lower cost if he hired a younger worker.

So then, training is not the entire answer to the problems we face, although it can serve a very worthwhile purpose.

As we look to improving the Manpower Development and Training Act, let us also explore other avenues of aid to the unemployed and underemployed.

Let us give private enterprise a greater role in solving the problem.

Let us extend tax credit to employers for sums expended by them in training or retraining any of their employees about to be displaced by automation or mechanization.

We can encourage further employer assistance by extending a tax credit for sums expended for the training of new employees for job skills needed within the industry. These tax credits would be allowable only if immediately subsequent to the conclusion of the training the trainee becomes gainfully employed by the training employer.

We are already giving employers a tax credit for investment in personal property. I think there is a greater justification for giving them a tax credit when they invest in human resources.

During the current session of Congress I shall introduce this human investment credit legislation and work vigorously for its adoption.

In closing, may I say that we all hope that the Great Society will be possible, but surely we can have at the very least a greater one.

Senator CLARK. Thank you, Senator Prouty. The clash on controversy has always been one of the rewarding attributes of this subcommittee. We are happy to have your views, as you know in the past we usually succeeded in working out an adjustment which is satisfactory to all interests in the subcommittee and I think we have been extraordinarily successful in coming to the floor with programs with which we are in substantial agreement.

We welcome your report.

Secretary Wirtz, would you proceed.

STATEMENT OF HON. WILLARD W. WIRTZ, SECRETARY OF LABOR; ACCOMPANIED BY EDWARD D. FRIEDMAN, DEPUTY SOLICITOR; STANLEY H. RUTTENBERG, MANPOWER ADMINISTRATOR; AND SAMUEL V. MERRICK, SPECIAL ASSISTANT TO THE SECRETARY OF LABOR

Secretary WIRTZ. Thank you, Mr. Chairman. You have already identified the presence at this table of the alumni association of this committee and I should add to what you have said our appreciation of Garth Mangum, who with similar background has been working with the Department and now with the new commission which the President has established in the automation field.

Senator CLARK. We are sorry Mr. Ruttenberg is not a member of that alumni.

Secretary WIRTZ. Mr. Ruttenberg is here, too; he is Manpower Administrator in the Department.

I would, with your permission, Mr. Chairman and members of the subcommittee, simply file my statement for the record.

Senator CLARK. Without objection the Secretary's statement will be printed in full in the record at this point.

(The prepared statement of Secretary Wirtz follows:)

PREPARED STATEMENT OF W. WILLARD WIRTZ, SECRETARY OF LABOR

Mr. Chairman, and members of the subcommittee, "Our prosperity is widespread, but it is not complete. Our growth has been steady but its permanence is not assured. Our achievements are great but our tasks are unfinished."

These were the words that President Johnson used in reporting to Congress on the Nation's economic health. And, indeed, the task will remain uncompleted until meaningful job opportunities for all are made available.

It is now clear that full employment opportunity depends on—

One, the economic policy of promoting sufficient economic growth to generate enough work for all in the labor force;

Two, an active manpower policy of developing the skills and abilities of our people to supply the manpower needs created, bringing people and jobs together.

This committee has been continuously addressing itself to these issues. It has shown a continuing awareness of the closely related policies and made a far-sighted contribution to thinking in this field with its 1964 report, "Toward Full Employment: Proposals for a Comprehensive Employment and Manpower Policy in the United States."

The time has now come to face up to the need for establishing an active manpower policy as embodied in the Manpower Development and Training Act on a permanent and continuing basis, and making it more flexible and responsive to developing needs.

Despite recent improvements, unemployment is intolerably high, particularly among the less skilled, less educated, and those for whom opportunity is constricted by poverty and discrimination.

There is a flood of young jobseekers. This year alone the number of 18- and 19-year-old boys and girls in the labor force will increase more than in all the decade of the fifties.

Rapid technological change is hitting many workers and communities, even while benefiting the economy generally.

Four years of steadily expanding job opportunities have not brought us full employment. Some 3¾ millions of our citizens want work but are unable to find it. Up to a million more—the "hidden unemployed"—would enter the labor force if the unemployment rate could be brought down. And if we look behind the average monthly figure of unemployment, we could identify almost 14 million workers who have experienced some unemployment at sometime during the year.

These immediate challenges cannot be met without an imaginative and active manpower policy that goes hand in hand with economic policy.

The President underscored this principle in his Economic Report in January when he said:

"To a substantial degree strong demand for labor will bring workers and jobs together but sole reliance on strong demand would place price stability under an unnecessary threat and the time needed for such adjustments would place unnecessary burdens upon displaced employees and new entrants into the job market.

"To reduce human costs, increase productivity, and make possible full employment without inflation, this administration is developing an active manpower policy."

The effectiveness of an active manpower policy as carried out under the Manpower Development and Training Act is now clear from the record of proven experience. There is no doubt that the training and retraining of unemployed workers is a sound social and financial investment.

Over 300,000 unemployed men and women will have been trained under the Manpower Development and Training Act programs already completed, now in course, or presently approved.

Approximately 3 out of 4 of those completing their courses have obtained jobs, most of them training related.

Another 60,000 have been reached through special projects tailored to the needs of the disadvantaged, the alienated, the bypassed.

Nearly half of these trainees had been out of work 15 weeks or longer when they entered the training courses.

Six out of every ten are heads of families or households.

A fourth of the trainees are nonwhite Americans.

There have been training programs in every State in the Nation for 500 different occupations.

The Department of Health, Education, and Welfare has estimated that it costs the taxpayers $2,500 to keep a family on relief for a year. Department of Labor figures indicate that, in contrast, it costs less than half this amount to train relief recipients and convert them into taxpayers carrying, with dignity, their share of the tax burden instead of adding to it.

Several recent studies have demonstrated that persons who have completed training programs have fared considerably better in the job market than those who did not.

Preliminary findings of a Department of Labor study of Manpower Development and Training Act trainees in 30 localities show that—

40 percent earned more than they did in their pretraining jobs (34 percent earned the same; 26 percent earned less);

18 percent had received promotions on their new jobs even though they had been employed only relatively brief periods since completion of training;

employers evaluated about 80 percent of their trainees as ranging from average to excellent.

A University of Wisconsin study financed by the Ford Foundation states:

"With few exceptions, the posttraining employment rates of those who completed their Government-sponsored courses were substantially higher than the rates experienced by appropriately selected control groups of workers."

A Department of Labor project at Rikers Island in the city of New York involving the training of young prisoners has had similar results.

The Department has long recognized that many young persons who have come out of jail are unemployed not only because of their prison records but also because they do not have occupational skills which are in demand. The Rikers Island project is attempting to reduce delinquency and unemployment by providing young prisoners, before they leave jail, with occupational skills in shortage occupations as IBM equipment operators. The occupational training is reinforced with counseling and social work assistance.

Traditionally, young men leave Rikers Island with two items—25 cents and a bologna sandwich.

To these we have been adding, for these selected youngsters, a marketable skill through specialized training. So far, 75 percent of those who have completed the program are working.

This project already is being identified as a model for other penal institutions and could well affect the future course of rehabilitation in such institutions.

Another Department of Labor project which pointed up the soundness of training programs under the Manpower Development and Training Act consisted of the first nationwide survey of the formal occupational training of adult workers. The study covered 52 million workers between the ages of 22 and 64 who had completed less than 3 years of college.

Some 28.5 million had had no formal vocational training. Half had never gone beyond elementary school. Only a little more than one-fourth of them had completed high school.

A report of this study published in December 1964 contains several important conclusions.

If we simply continue training opportunities at the present level, the labor force will continue to be made up of large numbers of unskilled, undereducated workers. By 1975 there will still be some 20 million workers with neither a high school diploma nor any formal job training. These figures suggest that insofar as structural unemployment is rooted in deficiencies of education and training, it is a longrun barrier to economic growth.

Dependence upon catch-as-catch-can training cannot continue to be the most common source of skill development in our increasingly complex economy.

In at least two respects, the study pointed up the basic soundness of training programs under the Manpower Development and Training Act. The practicality of training adult workers on a large scale is indicated by the frequent occurrence of successful training of workers past 35. The desirability of skill training for workers with the lowest educational attainment is indicated by the much lower unemployment rate for workers with less than 8 years of formal education when they have had vocational training.

The act, therefore, must be put on a more permanent basis. Under its present termination date, June 30, 1966, the training programs will begin to grind to a halt in the latter part of this year. The proposed bill, S. 974, would repeal the termination date (sec. 14) and permit continuing, uninterrupted, and more full-scale development of essential manpower policies.

S. 974 also will enable the Federal Government, as it should, to bear most of the burden of financing the act's vital programs. Unless the present act is amended, the current 100 percent Federal contribution will be cut to 66⅔ percent on July 1, with the States being required to put up 33⅓ percent.

The administration thus urges that the Federal contribution for training and allowances be set at a maximum of 90 percent and that the non-Federal contribution be in cash or in kind (new sec. 241).

This 90 to 10 matching amendment is essential for the program's continuation. It will permit the Federal Government to carry a greater part of the costs of tackling a problem which is nationwide in its causes and effects, and still retain local financial participation.

Secretary Celebrezze and I have written to all the Governors and done everything we could to encourage the States to provide the one-third matching requirement this year. However, it is apparent that a majority of the States will not be in a position to meet the present matching requirements by July 1.

This is in no way a reflection of inadequate interest or concern. Quite the contrary. Virtually all of the State Governors have expressed their strong desire to see the program continue.

It is clearly evident that unemployment is a national problem and that the costs of training the unemployed should be borne evenly across the Nation.

Under the financial pressures of burgeoning education, roads, and health needs, many States find themselves unable to provide substantial matching funds.

Many have already turned to debt financing. Last June, for example, their bonds and other debts exceeded $92 billion—three times the level of a dozen years ago.

The States should be given the same financial assistance here as for roads and their antipoverty programs.

One of the most significant of the administration's proposals as embodied in S. 974, is the amendment to title I of the act designed to give nationwide direction to the job development program the President has directed be launched as part of the program to achieve full employment opportunity in America (new sec. 102(7)).

An increasing proportion of the consumer dollar is going to pay for services. Between 1954 and 1963, for example, this proportion increased from 36 to 41 percent.

Our findings confirm the fact that there is a great potential for job development and for trained people in a myriad of service activities, and that these unfilled needs are likely to go begging unless additional steps are taken to develop them.

The existing Manpower Act is, of course, a broad charter for the development of an active manpower policy. It does not, however, directly refer to the development of jobs.

The proposed amendment will give clear direction to what must be an integral part of a comprehensive manpower policy—the active development of jobs in the service area.

The implementation of this proposal will be carried out in closest cooperation, not only with all appropriate Federal agencies, such as the Department of Commerce, Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Small Business Administration, but with management and labor and local community representatives. Committees representing business and labor in particular industries will help develop the programs.

Working together, we can:

Assemble information about job opportunities, unmet needs, and available manpower;

Promote training in these service occupations;

Provide technical assistance to management; and

Stimulate new enterprises in these fields.

Labor standards will be carefully preserved. In fact, this program should contribute to raising standards. Service industries would become more productive and more responsive to the availability of the growing value of consumer income that is ready to pay for services.

We expect the major emphasis of the job development program to be in the service industries.

Accelerated efforts to develop job opportunities in the service sector of our economy will thus meet two needs: those of customers for services, and of workers for jobs.

The absence of a positive progrgam to meet the increasing demand of consumers for services has impeded the development of many thousands of additional service jobs. Unless we take affirmative action, this absence will become more and more difficult to cope with in future years.

Additional changes are very much needed in title I, if the excellent beginning made under the act is to mature into the far-reaching active manpower program demanded by our times.

Manpower research, the central concern of title I, must be materially expanded. The wisdom of the Congress in establishing a strong mandate for research and for experimental progress has been clearly demonstrated.

Organized investigation into the causes and consequences of events generates new programs and modified policies. In other words, today's research leads to tomorrow's progress. This is apparent in the physical sciences. It must be acknowledged in the social sciences.

The limited manpower research program has made impressive contributions in the past 2 years, both to specific policies and, more generally, to our understanding of the processes of human development and socioeconomic behavior.

I have already described some of the important studies which have been conducted.

These and the other research efforts under the act, fruitful as they have been, have little more than opened the door to the imponderables surrounding manpower development and utilization. We are, after all, dealing with the whole human being in relation to his work and his total social environment. The new

knowledge so far gained is, of course, of great importance; but of paramount significance is what has been learned about the far greater research needs of the future.

In order to exploit the research potentialities opening up, substantially larger financial resources are required.

But more money alone will not assure results in manpower research. Labor economics and allied manpower disciplines—along with the other social services—have not attracted sufficient numbers of young scholars. The manifest lure of space exploration programs may help explain this manpower shortage.

To help correct this shortage we propose to expand manpower research capabilities not only at the national level, but at the regional and local levels by encouraging the develoment of regional manpower research centers. We see such centers, at academic or closely affiliated institutions, as supplementary arms of the Department and of the regional manpower advisory committees.

A part of any meaningful expanded research capacity is "operating research." Accordingly, it is proposed that the small experimental and demonstration program conducted under the general provisions of title II, be strengthened and given explicit sanction under title I of the act.

We have learned that the unfortunate term "unemployables" is at best misleading and at the worst, a cruel distortion of fact. New techniques of "human renewal," pioneered in early experimental and demonstration projects, foreshadow great possibilities for remedying the disabilities of many of these people. New and frequently unorthodox approaches must be developed to deal with the victims of cultural deprivation and social disuse.

The possibilities of innovation in techniques for helping people to help themselves is just beginning to be recognized.

To date, more than 100 special projects, serving almost 60,000 individuals and using a wide variety of public and private organizations, have been authorized. The results of some of these projects have already been put to work in improving services to unemployed workers in regular MDTA operations and in attacking complicated manpower problems.

We have only begun to explore the exciting possibilities in this area. So much is being attempted in our experimental and demonstration program that it is difficult in these brief moments to indicate the scale and spread of the effort to solve the special manpower problems of those who need help most—the disadvantaged.

One most striking success has been the demonstration that methods worked out for the vocational rehabilitation of the physically handicapped also work in dealing with the culturally handicapped. The work-sample method in sheltered workshops replaces the paper and pencil test which intimidates the illiterate and the disadvantaged.

Much has been learned in neighborhood manpower centers—that a heavy emphasis must be placed on supportive counseling, health examinations, aggressive job development, training in "social skills," and remedial education. These have been tried in three or four different ways.

Such activities must be conducted in close association with other manpower resarch undertakings. Placing the authorization in title I will assure this and will free the experimental program from the Sate-matching and apportionment requirements of title II. It will provide a closer and more specific tie between basic and operational research.

It is also proposed that limited authority to conduct two specific pilot programs be written into title I—relocation assistance for unemployed workers, and trainee bonding. The purpose of these two pilot actiivties is to gain experience with these specific types of financial assistance as a means for reducing unemployment.

Section 208 of the act now authorizes up to $4 million for labor mobility projects. Four States, New York, Virginia, Indiana, and Minnesota are now participating in this activity. A good start has been made under this authority, but it expires at the end of the present fiscal year, and we need more time properly to evaluate its potential in reducing unemployment.

The trainee bonding demonstration projects would authorize small sums in each of the next 2 fiscal years to make payment to, or contracts with, agencies for the purpose of indemnifying employers against possible losses from the hiring of rehabiltated Manpower Development and Training Act trainees with previous records of offense against property.

We have been successfully training and placing some of these workers. However, the scope of occupations open to them is limited by their previous record.

We want to find ways to open to such persons further opportunities for employment.

S. 974 also proposes several improvements in the training programs.

Access to some source of income determines not only the willingness, but the capacity of most people to take training. The allowances under the Manpower Development and Training Act are therefore a key to the success of the program. Such allowances condition acceptance of training and how long they can stay in the program. The proposed Manpower Act of 1965 would increase the amount, extend the duration, broaden the eligibility, and improve the techniques of paying training allowances.

Training allowances are presently too low, especially for trainees with large families who have constituted a sizable percentage of those enrolled in Manpower Development and Training Act training. Regular allowances range from $24 to $44 at present, with some trainees receiving up to $10 a week more. A good deal of the training is done in States where allowances are the lowest. Too frequently the trainee is unable to support his family, particularly for the longer-term training courses.

It is proposed that allowances be increased by $5 per week for each dependent over two, up to a maximum of four additional dependents (bill, sec. 5(a)(1)). We are hopeful that this will reduce the pressure on trainees, who have heavy family responsibilities, to drop out of much needed training.

The Manpower Development and Training Act Amendments of 1963 provided flexibility to reach the unemployed workers with the least preparation for training. This year we seek an extension of the duration in training allowances to provide flexibility to train for the higher technical skills required by a rapidly changing economy (bill, sec. 5(a)(1)).

Few of the current programs can be of sufficient duration to prepare jobless workers for the technical occupations which are and will be increasingly in greatest demand. In addition, the current 1-year limitation on allowances results in some programs being accelerated to the point where some trainees simply cannot adjust to the tempo required and are lost to the program. These are often the ones who need the program the most.

It is recommended, also, that the allowance provisions be amended to permit eligibility for more than one person in a household of which the head is unemployed (bill, sec. 5(c)(2)). This will permit more training opportunities for the most impoverished family groups which constitute such a large portion of our populataion. Similarly, we propose to permit payment of training allowances to single persons without dependents (bill, sec. 5(c) (1) and (2)). Exclusion of these people from training allowances, particularly mature women forced to return to the labor force, deprives them of much needed training.

Another proposed change would permit payment of daily transportation costs from residence to training (bill, sec. 5(b)). Experience indicates that these costs can sometimes absorb as much as 20 percent of the training allowances.

We wish also to permit trainees engaged in on-the-job training to retain their earnings from casual employment not related to their training, without reduction of their allowances, just as institutional trainees now do (bill, sec. 5(a)(3) and (4)).

Finally, it is proposed that some administrative flexibility be authorized in determining the number of youths who can receive training allowances, and that the method of computing average unemployment compensation payments in the States, on which training allowances are based, be simplified (bill, secs. 5(c)(3) and 5(a)(1)).

The last amendment sought would rationalize the manpower training structure by incorporating training under the Area Redevelopment Act within the Manpower Development and Training Act (bill, sec. 251). The Area Redevelopment Act contains, along with many other features to assist in the rehabilitation of the economies of depressed areas, provisions for retraining the unemployed. To date, training has been authorized for 40,000 workers. It has been limited to the lower range of occupational skills, since maximum duration of allowances under the Area Redevelopment Act was set at 16 weeks.

Despite some differences, the training programs under the Area Redevelopment Act and the Manpower Development and Training Act are, in purpose, administration, and program content, very similar. It is proposed to merge both activities under the Manpower Development and Training Act but to retain full Federal financing and no State apportionment for the redevelopment area training programs. These features reflect the purpose of the original Area Redevelopment Act.

Secretary WIRTZ. I will confine my remarks because I know you have other witnesses scheduled this morning. I would like to say by introduction a good deal less than I would have if it had not been for the statements of both the chairman and Senator Prouty, because you have, in what you have said, already identified a good deal of the general context of this discussion here today.

I should like to add to that only this: I guess I have said before, but I should like to repeat that I know no comparable record, frankly, in the annals of government of close working association between the legislature and the executive which compares with the one we have here, with the enactment in 1962 of the Manpower Development and Training Act, then with the administrative experience under it. I should perhaps describe our experience under the act differently than the way Senator Prouty has, and would think it included a larger degree of accomplishment than he has suggested.

The amendments in 1963 of that act, and the continued administration of it, which I should like to discuss in my testimony, was followed by the report to which you have already referred, the May report of this committee. This report has been a very basic factor in the preparation of the amendments which we embody in the recommendation brought to the Congress and reflected now in S. 974 which you, Mr. Chairman, have introduced.

Senator CLARK. Let me interrupt a second, Mr. Secretary, to say that, true, through an unfortunate oversight we did not check with all members of the subcommittee to see whether they wished to cosponsor this legislation. If any of you would like to be listed as cosponsors I hope you will let Mr. Smith of the staff of the subcommittee know so that we can get you on the bill at its next printing.

Secretary WIRTZ. If you were to take the list of recommendations in that May report, which is a quite extended list, and go down it item by item you would find, I think, with respect to almost every single one of them a reflection of either the administrative policies of the Department of Labor in carrying out this program, or the suggestions which are made here for amendment of that program, or the broader policies toward which we are working in other programs which have been sponsored by the administration and are presently before the Congress.

I should like to add to that, if I may, that there has been not only thorough consideration of that report but also very careful attention to the report of the hearings on S. 2958, a bill which Senator Nelson introduced and which, although it is not reflected in specific provisions in this proposal, is reflected in a number of the attempts which have been made to explore further possibilities along this line.

And so we come to what is, as you say, the Manpower Act of 1965, which attempts to embody the experience which we have had in the administration of this bill, and to move ahead along the lines which are suggested in the May report of this committee.

The basic reason for this bill is the one to which you, Mr. Chairman, have already referred—4 million unemployed people at the end of 5 years of recordbreaking prosperity, is a situation which we still can contemplate only with the strongest degree of concern. We know that meeting this problem depends on two things. One is the stimulation of the economy to the fullest possible extent, there has to be the demand which will create jobs. The second is an active manpower

policy which takes account of the fact that there are probably hundreds of thousands of people who will not, simply by the fact of economic growth itself receive employment, and it is to this second aspect of the problem that we direct our interests and our efforts here particularly.

Now, with respect to the record of the administration of the act. Although, Senator Prouty, I say it was hard for me to share your general description of it, I should, of course, identify myself as we all would with the fact we have not done the whole job yet, we simply cannot. I note with interest your suggestion that we would meet our purpose if we were in a position to set up a training program when there was so much as one man who needed that training program. I would hope we could move toward that goal.

We are presently in the situation where now for the second year the appropriations for this program have been exhausted 3 or 4 months in advance of the termination of the fiscal year. I would hope that the appropriations which are contemplated for the next fiscal year would permit an improvement on that situation. I hope eventually we will be at a point where we can take any individual case which presents itself and do something about it.

With 4 million people unemployed, we are still substantially short of that position.

I should say to you that when the Congress enacted this bill in 1962—the Manpower Development and Training Act—they expressed the hope that it would be possible over the original 3-year period of that act to train at least 400,000 people. We will exceed that goal.

We have at the present time, with still a half year of the administration of that original program to go, approved programs which cover the training of 300,000 people and in addition to that have approved special programs which meet the needs of another 60,000 people. And that is in addition to a number of special experimental projects of one kind or another.

Senator CLARK. I think that requires some emphasis, Mr. Secretary, because I remember very well when you came in here and told us what your expectations were, and a couple of us thought you were a little bit optimistic, and I am happy to know your experience is right in accordance with your expectation.

Secretary WIRTZ. You do not boast when there are still 4 million unemployed in the country, but in terms of the effectiveness of the program and recognizing the financial limitations on it, as well as the administrative limitations on it in starting a new program, I am proud of what has been done.

Another part of this record, 70 to 75 percent of those who have completed this program have received employment, most of it training related.

It is also of relevance that nearly half of these trainees have been from among that group to which you refer, Senator Prouty, and very properly, as the hard-core unemployed. The unemployment statistics for January showed the lowest unemployment on a percentage basis, which is the harder test here, since October of 1957. They also showed that there have been produced in this economy 1¾ million additional jobs in the last 12 months. It is not only the administration that is doing well, it is the country that is doing well, as reflected in that particular period.

With respect, too, to your very proper point about the special problem of the hard-core unemployed, it is an interesting thing that in the last 12 months the largest gains have been made in the reduction of the hard-core unemployed. We have made gains on every front except the most serious front which we face, which is the youngsters, the unemployment figure in absolute numbers, as well as percentages, in every single category, is better than it was 12 months ago except that it is 15 percent for the youngsters and is not improving at the present point.

Six out of every ten of the people we have trained are heads of families or households. A fourth of the trainees have been from among the nonwhite groups where the unemployment has centered so strongly.

There are training programs or have been training programs in every State in the Nation and they cover 500 different occupations. In terms of the economics of the situation we know more about it than we did before. We know that the training cost of institutional training programs is now about $1,200 to $1,300 a person. We had told you 2 years ago that we hoped we could get that down to between $1,000 and $1,500. It is working out at that point.

Studies are also being made which show that the alternative to the expenditure of this amount of money per individual, the alternative, according to figures which have been recently released by the Department of Health, Education, and Welfare, is to spend $2,500 a family on relief. It costs us less to rehabilitate a person than it costs us to carry that person and his family for even 1 year.

The longer statement which has been filed also includes reference to a number of recent studies which reflect the evaluation of the program which we have before us. I want to emphasize before this committee, because it has always been particularly interested in that aspect of it, the experimental and development programs which are part of the developing administration of this act. I have referred in my statement just illustratively to the kind of thing which we have done. Most recently, the Rikers Island project in the city of New York, where we have taken a group which from one standpoint at least presents the hardest problem that we face. This is the program in which we have been training a group of young prisoners, released from Rikers Island, working with them before they leave jail, training them not in menial tasks, but with the occupational skills which are necessary to fill the shortage occupations such as IBM equipment operators. We are finding an extraordinary result there. Seventy-five percent of even this group is now working out.

There is the traditional saying, you know, that people leave Rikers Island with just two things—they are given 25 cents and a bologna sandwich—and it has not worked out. Now we are giving them a skill that they can use and it is working out and it is just that simple.

There are other studies reported here, evaluation studies, which reflect the fact that we now know a great deal more than we did 2 years ago about the problems or the situation, at least in the work force. There is just one basic difficulty as far as the future of employment in the work force is concerned, and that is that the educational and the training components which enter into most people's experience so far are simply not up to the demands of the jobs for the kinds of skills which are demanded today. There are 28½ million

people in the work force today without any vocational training whatsoever. That we did not know before—now we do know it—and it points out to us the importance, the absolute necessity of that kind of training.

Senator PROUTY. Mr. Secretary, may I interrupt you at this point?

I visited an IBM plant recently and I asked the manager of that plant about the educational requirements for his employees. The workers manufacture parts for computers and things of that nature, which are relatively complex. He said, "None whatsoever." I asked, "Is it necessary for an employee here to have had some vocational education before you will hire him?" He said, "No; we have our own training programs," and he pointed out that quite a substantial number of people working in that particular plant had formerly been employees of a woolen company, they had no skills, relatively little education, and yet the employer was able to train those workers in the plant.

Now, it seems to me that this type of situation is common throughout the country.

I have another case in mind in a different industry, where the manager of a concern said that about 15 percent of his people require no skills of any nature. He said, "We have our own training program, our own school for those who we think are qualified to be supervisors, for men and so forth, and they have been there a while," but he said, "We train our own people, anyone almost, to operate these machines."

It seems to me as I go around that industry can and will do an important part of the training job, and wonder if you are suggesting here that everyone must have a vocational education in order to get a position in some of these industrial plants.

Secretary WIRTZ. Any such suggestion would be too broad.

Our experience would confirm your reports, Senator Prouty, to this extent—as far as the larger companies are concerned we are finding that more and more are doing, and I agree with you, should do the training which is involved here.

We are finding that probably the largest potential for the use of training which we will have to help provide is among the smaller employers. We are working on this right now, and I would like to mention it, in connection with this job development program to which we have just turned our attention. Paralleling what you have said, where a considerable amount of the training is done by a large company, only a very small part of it is done by the small employers in this country.

It is very hard for a person with a very small operation to undertake any substantial training investment because that is what it is. What I am saying is that there is a great deal more need for the kind of training which is provided outside among small employers than there is among large ones and would agree with what you say to that extent. We still have the very, very deep conviction that we are probably, and the figure is in no way reliable, and I do not give you a precise figure, several hundred thousand people short with respect to the possibility of the training being done privately.

I did not put the statement well, let me repeat it. My best estimate would be that there are several hundred thousand situations at any given time in which there are job openings and opportunities which will not be filled unless there are trained people to fill them.

Senator PROUTY. I think Mr. Shriver when testifying before this committee, perhaps when the poverty bill was before us last year, said that the head of some oil company told him that it could use 8,000 filling station employees.

He said the trouble is, we give people jobs but they do not want to work and they will not stay. They do not need training, many of them; they just do not want to work.

That was Mr. Shriver's statement.

Secretary WIRTZ. My reply would not be in contradiction to Mr. Shriver's statement at all. I do not believe there are very many Americans who do not want to work. The experience we have had indicates that the unemployment which exists is a result of lack of training, lack of competence, and an element which most closely approaches what you have just said, which is a lack of motivation, resulting from a century of racial discrimination and disadvantage as far as those individuals who are involved in that are concerned. Our conclusion, quite contrary to what you suggest, is that there are virtually no unemployables in this country, and there are virtually no people who give it the same experience which you and I have had the fortune to have as far as motivation is concerned who do not want to work. Where there is a shortcoming, where there is a failing of motivation, I think it results from the kicking around that they and usually their parents have had. That is the dismal fact.

Senator CLARK. I suggest this is a deep philosophical point of view which we are not going to settle this morning. Senator Prouty made his point.

Senator PROUTY. I will check the record to make sure I quoted Mr. Shriver correctly. It seems to me if jobs are available as filling station operators or in some other field of activity in which these people are qualified to serve and they refuse to work then I think we have to find some way to persuade them that they must work if they are going to live comfortably. It is most important that they be impressed with that fact.

Senator CLARK. I think we all agree with that.

Secretary WIRTZ. Right. Turning to the specifics of the proposals, Mr. Chairman and members of the committee, as you, Mr. Chairman, have indicated, one factor in the recommendations and in the bill, S. 974, is a provision which would put this act now on a permanent basis. I think there is pretty general feeling now that we have reached the point where that should be done.

Of somewhat related nature is the matter of the more permanent financing basis which is here proposed. We have over the years considered this question of the extent to which this should be a Federal program, the extent to which it should provide for State matching.

As a result of the provisions in the 1963 act, and the amendments, we have worked toward the achievement of a two for one, two Federal, one State or local, matching formula to become effective as of July 1965.

Secretary Celebrezze and I have been in touch with the Governors of all the States, we have made every effort we possibly can to effectuate that purpose of moving to a two and one matching basis in July of 1965, I must report to you that our conservative and at the same time most optimistic conclusion from this is that it will not go on a two for one matching basis. We would support, therefore, in line with

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the administration recommendation, the provision in S. 974 which would put this program on a 90-to-10 matching basis, providing for the use of 90 percent Federal funds, 10 percent State and local funds, either in cash or in kind, as a proper financing basis.

This parallels the formula which is being worked out in the various parts of the economic opportunity program and we are——

Senator CLARK. I suspect, Mr. Secretary, that this in the end will be one of the more controversial matters which are in this legislation and I would like to ask you to stress a little bit your reasons for urging the subcommittee to abandon the matching fund basis on which the legislation was initially set up on.

I am concerned myself that we are a little bit vulnerable when we find the States are unwilling to pick up their share of the tab. I wonder why. I wonder if there is any merit in the thought that it is because they do not want it and do not think it does any good.

Is this a question of State financial problems? What does your experience indicate as the reasons why the Congress hope, in fact expectation, that the success of this program in its early years would be such that the States would be only too keen to pick up their matching grants and move ahead with the program, and how is this compatible with what you tell us is the success of the training effort?

Secretary WIRTZ. I think there are several elements in the success of that program.

First, with respect to the view held by the Governors of the various States with respect to this program.

As I say, Secretary Celebrezze and I have been in touch one way or another with I think all of them now. I think it is fair to say that there is virtually unanimous approval of this program, although there have been particular projects in certain States with respect to which complications have developed, and difficulties arise. Even despite that there has been and is today complete, I think, support of the program. So, the answer to your question, Mr. Chairman, seems to me to come down to these several elements:

First, is the fact that the States have virtually exhausted their revenue sources with respect to borrowing and taxing alike; they are now at a point where there is almost no money for them. The State indebtedness today exceeds $92 billion. That is three times the level of just 12 years ago. They are just running out of money.

Now, the second factor is a pragmatic factor. If State funds are to go on the one hand to the building of a bridge that has somebody's name on it and on the other hand into a manpower training program which will be of great benefit to a few individuals, but which will remain completely anonymous, there are just obvious political factors at work which would seem to give the bridge an advantage.

We are dealing with a human investment program and there are not the advantages to that and the sponsorship of that as there are to the others at least in an immediate sense, and so I think there is no question but it is suffering from that liability.

My final point is an entirely different one, and it is that unemployment in this country is a national phenomenon, a national development and a national responsibility. With interstate commerce advancing to the point which it has now to identify a particular community with the responsibility for the unemployment which develops there is

frequently most unfair, because it is a consequence of national economic developments. Because these programs are to a considerable extent centered in those areas where there has been the largest development resulting from our society's general technological advance it seems to us quite fair that the substantial part of the burden be borne nationally.

Senator PROUTY. Mr. Secretary, I think that if we are completely frank we will acknowledge that when this legislation was first enacted it was well known that the States would never be required to put up one-third of the expense. The one-third matching provision was a purely political approach used to get the legislation through the Congress. I do not think any member of this subcommittee who was then on the subcommittee had any reason to believe or doubt that a change would be made. I personally am in favor of the proposed 90-to-10 ratio.

Senator CLARK. I am not prepared to——

Senator PROUTY. Just let me raise one more question.

Suppose, as has been suggested by some, that a substantial amount of the Federal Government's tax revenues were turned back to the States; if that were to happen, would you feel differently about this?

Secretary WIRTZ. If that were to happen, would I feel differently about this?

Senator PROUTY. I am suggesting that possibility.

Secretary WIRTZ. If that were to happen, yes, I would feel differently about this.

Senator PROUTY. Thank you.

Senator CLARK. I just want the record to show my dissent to Senator Prouty's historical analysis of what was going on in the minds of some of us when this legislation first was approached.

Senator PROUTY. I cannot speak for the members of the subcommittee; but I can state my own understanding of the situation.

Senator CLARK. Speaking for yourself, that is fine.

Please proceed, Mr. Secretary.

Secretary WIRTZ. As far as title I of the new act is concerned there are two or three points I would like to direct particular attention to. Those would include these: This committee has always been very much interested in the research and development aspects of this program, and one other thing or several of them that are important, having as their common denominator the enlargement of this program.

The Government as a whole is spending about 15 percent of its whole budget on research and development. That has seemed very easy when it is a matter of exploring the physical sciences. We have great difficulty in advancing in our exploration of the human sciences or the humanities and they become sciences as they are applied to programs of this kind. I urge very strongly the support of the enlarged research and development programs which we have here.

You may want to talk further about those.

Another of the suggestions in title I is a suggestion which will be part of the basis for what we have identified as a job development program and this relates back specifically to some of the things that have been said here earlier today.

We are increasingly aware of the fact that there are in various parts of the economy, and particularly in the service parts of the economy,

and especially among smaller employers, jobs which have not yet been developed in one way or another. That involves two things: It involves difficulties on the management side because it is hard to develop jobs in this kind of situation, and on the other side it is hard to prepare the training or prepare the individual for these jobs. Take the case of domestic service. Although the case is not the most important one, it is best from an illustrative standpoint.

Frankly, it has been difficult for me sometimes in the past year to make speeches about unemployment because we could not get our own screens taken down. That was not all of it. The trouble was most of the people in the audience had had the trouble getting the kind of service attention they needed of one kind or another, and they began to wonder just why this unemployment exists. Well, we are beginning to find out a good deal more about why it exists.

Take the domestic service situation itself. Very frequently some housewife wants a half day or perhaps 3 half days a week. She would like very much to have that much help. She has great difficulty in getting it. Part of the problem is that help now, especially in the large urban communities, has to come clear from the other side of the town. The transportation factor itself is a very serious one. The training factor itself is very difficult because a good many of these people who could do that service just have not had experience, they do not know what a garbage disposal will take or what it will not take, because they have not been exposed to that kind of kitchen problem. And then furthermore, the rates are low. We have a very special situation in this country as far as the development of service occupations are concerned. They are matters of great dignity in Europe, they are not matters of dignity here. The working out of service jobs is a matter of comparative convenience in small towns, it is a hard situation as far as larger cities are concerned.

I make the point with respect to domestic service but it is a much stronger point with respect to other service jobs. We are finding that there are job potential possibilities, and especially among smaller employers in the service occupations throughout the country. The President has announced the establishment of a job program.

We include in this legislation a provision which would also be part of the basis for that program. We say to you right candidly that we do not conceive of this provision as establishing authority which is lacking in the present situation. We say to you equally candidly that we think it is a matter of great importance which we ought to be talking with you about and with respect to which an expression of congressional view would be very important, and you may very well have in your deliberations thoughts along this line which are important to us.

I emphasize the inclusion of this new provision as the basis for manpower development programs which I think will help exploit the possibilities which lies so far undeveloped, especially in the service fields.

We would expect to do this, and I note this particularly in connection with our earlier discussion, Senator Prouty, in close working cooperation with the employers who are involved and with the labor organizations which are also affected. There is a good deal of this training which can be done by the larger companies and some of it can be done by the smaller companies if we use our own on-the-job

training authority to supplement their efforts. So, frankly, some of the things we are talking about now are working with trade associations, smaller employers, under the on-the-job training authority, and we will supplement their training with what we are authorized to do here, which we think open up a number of new job opportunities along that line.

Senator PROUTY. I would like to just get back for a minute to the question of domestic employees.

How long does it take to train a woman, for example, to do house cleaning?

Secretary WIRTZ. I am convinced that in our experience so far in training programs, 10, 12, or 15 weeks have been found most effective for the homemaking services.

Senator CLARK. That would be a lot more than just cleaning the house; would it not? That would be cooking?

Secretary WIRTZ. That is correct. And it may stretch longer than that in some places because frankly we are finding that one of the difficulties is that when a woman is hired in for day service, homemaking service, and a telephone call comes in and she cannot write down the telephone message which was received, it is a block to continued employment.

Senator PROUTY. Is it not true that there are a great many people who are qualified for that type of work but who do not desire it? There are a great many women who have been working in a factory, for example, who temporarily are unemployed who refuse to take jobs of that nature. I do not know that I blame them, but I think you will find that they run up into the hundreds of thousands. And people all over this country, in large as well as small communities, need help of this kind.

Secretary WIRTZ. I am going to inject the chairman's injunction—that involves, Senator, almost basically a philosophical thought, and just state my complete disagreement.

Senator PROUTY. There are many jobs and many women to fill those jobs, are there not?

Secretary WIRTZ. I think those jobs will not be filled without the development of programs of the kind we are suggesting here because I think they involve matters of training, transportation. If you extend it beyond domestic service to some of the closer related services of management development of one kind or another, the exploitation or the development of that situation does require further probative action on our part.

Senator JAVITS. Mr. Chairman, may I ask two questions precisely on this point?

Senator CLARK. Go ahead.

Senator JAVITS. Mr. Secretary, why do you not recommend the inclusion of houseworkers in the minimum wage law in order to give them the dignity of so many hours a day, so much fundamental compensation, so much overtime, and the other protections which they would get if they were included?

Secretary WIRTZ. You mean within the authority of the Constitution?

Senator JAVITS. Yes.

Secretary WIRTZ. And to the extent that it is interstate commerce involved?

Senator JAVITS. That is right, to the extent it could qualify.

Secretary WIRTZ. I should first make clear that the domestic service would probably usually not be included, I think, under the constitutional point, but do not mean to duck the question.

I think very serious consideration should be given to the broadest possible application of the minimum wage law to include particularly the service industries with respect to which there has previously been dispute.

Senator JAVITS. Would you make us some recommendations on that score and do the necessary staff work on the law?

Secretary WIRTZ. We will be glad to.

(The information referred to follow:)

COVERAGE OF DOMESTIC WORKERS UNDER THE FAIR LABOR STANDARDS ACT

The administration's recommendation regarding the extension of the Fair Labor Standards Act, including its application to employees providing services, is still under consideration but will be submitted to the Congress in the near future.

The act does not apply to houseworkers and its application to this type of employee would involve novel and difficult questions under the commerce clause.

Senator JAVITS. I agree that it is a very grave national problem. There is a tremendous opportunity in this work and it needs to be upgraded in morale.

I could not agree with you more; to say it and to do it are two different things. The Federal minimum wage law is one avenue. The State minimum wage laws would cover the bulk of the people entering domestic service. We would recommend that that be done if we could not do it ourselves.

Finally, just the general pronouncement of policy on the part of a senatorial committee, backed by the administration, that regular terms and wages and hours should be extended to those who render domestic service would also be very effective.

I had one other inquiry. You furnish a list, do you not, of the skills in short supply which are permitted to be filled by preferred immigration, is that not correct?

Secretary WIRTZ. I would have to check, Senator. I am not familiar with that particular list. I would have to supply that.

(The list referred to previously will be found on p. 33.)

Senator JAVITS. There is a preference that goes to immigration to supply needed skills, and I have always been puzzled about why you do not include domestic service of the kind that we are discussing today among those shortage skills, so that they would qualify for a high priority in immigration.

Many people want to find out how they can bring in people from other countries who would like to engage in domestic service.

Secretary WIRTZ. I should supply a fuller answer for the record, but I should say, Senator Javits, that with respect to two or three of these problems which have recently received the largest attention, particularly the agricultural labor problem, I am not persuaded at this point that there is a shortage of available manpower supply in this country and am persuaded to the contrary; that given the proper management, public and private, of that situation, it can be met with domestic workers.

Senator JAVITS. You will give us the information on both these subjects; that is, the upgrading of domestic workers in terms of wages and hours, and the question of immigration?

(The information on the question of immigration follows:)

INFORMATION ON OCCUPATIONS FOR WHICH THE DEPARTMENT IS NOW PERMITTING IMMIGRATION

Under the present immigration law, first preference is given to immigrants coming in to accept a job for which qualified domestic workers are not available. The three attached lists contain some information on the occupations represented by first-preference immigrants for whom a job offer is a prerequisite.

Attachment I, "Occupations and groups of occupations for which nationally the supply of available workers is inadequate to meet all demands," is a list which the Department of Labor furnished to the Immigration Service and State Department. For occupations on this list, the Immigration Service can process first-preference applications without additional checking with the Labor Department.

Attachment II lists some examples of nonagricultural occupations for which the Department of Labor has certified to admit aliens under the first-preference provisions. Some of the occupations on attachment I also appear on attachment II. This is because Immigration Service checked on the skill level of the alien.

Attachment III lists the agricultural occupations, and the number of workers involved, in Department of Labor certifications to admit first-preference aliens in fiscal year 1964.

Occupations and groups of occupations for which nationally the supply of available workers is inadequate to meet all demands:[1]

Chemists.
College presidents, deans, professors, and instructors for junior colleges, colleges, universities, and professional schools licensed by the State to give academic degrees.
Dentists.
Metallurgists.
Engineers:
- Chemical.
- Civil.
- Electrical.
- Industrial.
- Mechanical.
- Mining.

Librarians.
Physicians and surgeons.
Social and welfare workers.

[1] This list is prepared and used for only one purpose. It is provided to Immigration and Naturalization Service and the Department of State officials for use in screening, overseas at consulates, aliens who apply for first preference under the present immigration law.

Superintendents, principals, teachers, and instructors for all elementary, secondary, and preparatory schools whether public schools, parochial schools, denominational and sectarian schools, or other general curriculum elementary, secondary, or preparatory schools.
Nurses (trained).
Veterinarians.
Agricultural, biological, and physical scientists.
Draftsmen:
- Aeronautical.
- Electrical.
- Marine.
- Mechanical.

Tool designer.
Die designer.
Medical technicians (medical service).
Dental technicians (medical service).

ATTACHMENT II

Examples of nonagricultural occupations for which the Department of Labor has certified to admit aliens under first-preference provisions of section 204(b) of Public Law 414.

Librarians	Systems engineers
Dieticians	Cabinetmakers
Laboratory technicians	Machinists
Physical therapists	Draftsmen

ATTACHMENT III

Agricultural occupations for which the Department of Labor certified to admit aliens under first-preference provisions of section 204(b) of Public Law 414 during the fiscal year 1964, and the number of aliens so admitted.

Occupation	*Number of aliens admitted*	*Occupation*	*Number of aliens admitted*
Tree grafter	2	Cattle breeder	2
Farmhand, livestock	1	Horticulturist	3
Farm manager	3	Landscape gardener	1
Tree surgeon	2	Horsebreaker	1
Nurseryman	1	Dairy farm hand	1
Dairyman	1		
Agronomist	1	Total	19

Secretary WIRTZ. Yes. I take it your question goes beyond the agricultural workers.

Senator JAVITS. I am not talking about agricultural workers at all.

Senator MURPHY. Mr. Chairman, may I ask a question?

Senator CLARK. Yes, indeed, Senator Murphy.

Senator MURPHY. Mr. Secretary, I believe you mentioned 500 vocation training programs, is that correct, sir?

Secretary WIRTZ. 500 different occupational training objectives under the Manpower Development and Training Act.

Senator MURPHY. Could we possibly get a list of the programs?

Secretary WIRTZ. We would be glad to supply that. I guess we have it here, but we will supply it in detail.

Senator MURPHY. One more thing; the latest developments on the manpower problem in California indicate that you and I better have longer talks. The problem is getting more difficult out there.

(The programs requested follow:)

OCCUPATIONS FOR WHICH TRAINING HAS BEEN PROVIDED

These occupations are listed in the tables below:

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*

Major occupational group and occupation [1]	Number	
	Projects	Trainees
Total	2,880	119,335
Professional and managerial [2]	315	9,148
Editor, trade or technical	1	5
Occupational therapy assistant	1	30
Nurse, head (refresher)	1	13
Nurse, staff (refresher)	3	240
Balloonist (hot-air balloon)	1	10
Floral designer	3	100
Illustrator	2	9
Clay modeler	2	30
Draftsman	4	177
Draftsman, detailer	5	110
Detailman, furniture	1	1
Draftsman, aeronautical	1	360
Draftsman, architectural	1	30
Draftsman, commercial	5	113
Draftsman, construction	1	10
Draftsman, electrical	2	50
Draftsman, mechanical	32	726
Draftsman, tool design	2	42
Draftsman, industrial	1	15
Draftsman, structural	1	5
Tracer	1	40
Production illustrator	2	25
Tool designer	1	50
Medical technician	2	29
Surgical technician	2	19
X-ray technician	2	19
Laboratory technician	2	140
Hematologist technician	1	4
Operating room technician	5	102
Occupational therapy assistant	1	20
Laboratory assistant, chemist	5	113
Laboratory technician	2	2
Medical laboratory assistant	1	15
Treatment plant maintenance and management trainee	1	50
Water and sewage plant laboratory technician	3	8
Physical therapy aid	1	2
Nurse, practical, licensed	147	4,777
Surveyor	1	24
Engineering aid II	1	30
Instrumentman (entry)	1	20
Transitman (entry)	3	62
Taxidermist	1	12
Electronic technician	2	98
Systems testing laboratory technician (entry)	2	74
Statistical quality control assistant	1	15
Recreational aid	2	100
Forester aid (entry)	20	437
Time-study man	1	10
Radio-TV announcer	1	18
Programer (entry)	15	408
Engineering aid, civil	5	108
Data processing technician	1	32
Service station manager	1	2
Manager, retail food (legally blind)	1	44
Professional etc.—Continued		
Manager, department (retail trade)	2	40
Custodian	2	63
Chief clerk	1	20
Sugarcane farm administrator	1	10
Printed circuit board technician	1	30
Clerical and sales	543	22,117
Bookkeeper	4	80
Accounting clerk	6	112
Cashier	2	58
Bookkeeping machine operator	5	176
Grocery checker	1	20
Clerk, general office	38	1,383
Insurance specialist	1	60
Ward clerk	4	85
Teller (banking)	1	32
Room clerk	2	45
Insurance rate clerk	1	24
Medical clerk	2	62
Followup man	4	29
Traffic rate clerk	2	32
Office machine operator	1	20
Calculating machine operator	3	111
Duplicating machine operator IV	5	112
Key-punch operator	11	342
Tabulating machine operator	3	65
Dental assistant	8	162
Secretary	28	992
Receiving clerk II	1	12
Shipping clerk I	2	8
Shipping clerk II	3	6
Platform checker	1	3
Assistant medical records librarian	1	32
Stenographer	221	7,842
Stenotypist	1	60
Typist	30	2,083
Teletype operator	1	10
Clerk-typist	108	5,623
Transcribing machine operator	2	120
Stock clerk	3	14
Inventory controller	1	1
Teacher aid	1	40
Station house clerk (police precinct)	1	30
Salesperson, women's garments	1	20
Sales clerk (retail trade)	1	40
Salesperson, automobile parts	9	214
Salesperson, general	16	1,565
Salesperson, photo supplies and equipment	1	32
Salesman, general	4	324
Salesman, motor vehicles and supplies	1	21
Salesman, building and construction equipment and supplies	1	15

See footnotes at end of table, p. 40.

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*—Continued

Major occupational group and occupation [1]	Number	
	Projects	Trainees
Service	224	12,708
Homemaker	1	48
Home attendant	2	69
Chambermaid	6	289
Ward maid	2	92
House cleaner (medical service)	2	173
Housekeeper (hotel and resturant)	3	315
Housekeeper (medical service)	3	340
Roundsman	2	81
Cook, combination	1	20
Cook, fry	2	68
Chef (hotel and restaurant)	2	52
Cook (hotel and restaurant)	47	1,398
Cook, short order	6	96
Waiter, formal	7	412
Waiter, informal	4	134
Waitress	19	1,263
Cook helper	2	140
Pantryman	2	130
Food service restaurant worker	2	30
Beauty operator	4	49
Orderly	9	1,035
Nurse aid	66	4,568
Psychiatric aid	9	980
Ward attendant	6	380
Kindergartner	1	20
Cook apprentice	2	7
Guard, institution	1	10
Janitor I	8	407
Porter I	2	52
Service worker	1	50
Agricultural	76	2,509
Dairyman II	2	140
Farmer, general	4	115
Truck farmer	2	95
Farmhand, dairy	11	246
Farmhand, fruit	2	70
Farmhand, general	10	385
All-round farm-machinery operator	7	214
Tractor operator I	3	71
Tractor operator II	3	90
Farm mechanic	5	110
Farm couple	1	10
Fruit farm technician	1	25
Nurseryman II	2	55
Groundskeeper	5	175
Landscape gardener	1	20
Tree and vine pruner	10	539
Arborist	4	67
Fisherman, otter trawl	1	50
Fish filleter	2	32
Skilled	1,056	29,414
Baker	5	74
Butcher	1	20
Knitting-machine operator	4	134
Knitting-machine operator, hand	1	6
Garment mender	1	10
Weaver	5	107
Loom fixer	1	12
Mender (textile)	1	12
Seamstress	1	20
Tailor	5	72
Alterer (garment)	1	17
Garment cutter	1	25
Skilled—Continued		
Garment inspector	1	15
Lumber grader	6	70
Head sawyer	1	60
Operation inspector	1	1
Cabinetmaker	12	256
Woodworking machine operator	6	165
Router operator	1	4
Planer operator	2	8
Kiln operator	1	2
Millman	14	496
Upholsterer	11	283
Platemaker	1	4
Printer-slotter operator	1	6
Corrugator operator, head	1	2
Printer	1	48
Linotype operator	1	80
Camerman, roll and sheet	1	8
Camera plate maker and stripper	1	10
Stripper and printer	1	4
Dot-etch journeyman	1	4
Offset pressman	8	191
Plate maker assistant	1	8
Photographic worker	1	1
Shoe repairman	7	181
Sewer, hand (boot and shoe)	8	445
Binding stitcher	2	48
Goodyear stitcher (boot and shoe)	1	10
Stitcher, utility (boot and shoe)	1	25
Top stitcher (boot and shoe)	5	90
Vamper II (boot and shoe)	1	84
Side laster, hand (boot and shoe)	1	10
Bed laster	4	69
Puller-over, machine (boot and shoe)	1	10
Inspector (boot and shoe)	2	16
Finisher-foot caster-bit gatherer, glass	1	20
Gatherer-blower (glass manufacturing)	1	20
Watchmaker	1	12
Electroplater	1	1
Machinist (entry)	21	536
Lathe operator	1	3
Machinist, outside (ship and boat building and repair)	2	180
Tool setter	1	8
Job setter (machine shop) (entry)	1	20
Screw-machine-set-up man, automatic	5	103
Turret-lathe set-up man	2	47
Tool and die maker	1	18
Toolmaker, eylet (entry)	1	30
Engine lathe operator I	7	114
Machine shop and related occupations, (entry)	3	634
Screw-machine operator	1	20
Turret lathe operator	15	499
Milling machine operator	10	149
Surface-grinder operator	1	8
Inspector (machine shop)	4	82
Sheetmetal worker	18	592
Sheetmetal worker, aircraft	2	92
Structural steel worker	1	20

See footnotes at end of table, p. 40.

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*—Continued

Major occupational group and occupation [1]	Number	
	Projects	Trainees
Skilled—Continued		
Shipfitter	1	100
Ornamental ironworker	2	27
Ironworker, shop	1	25
Structural steel fitter	1	20
Template maker, structural steel	2	50
Welder (construction trades)	3	105
Welder, arc	32	1,560
Welder, inert gas	18	497
Welder, ship	1	7
Welder, combination	84	2,945
Cold header (set-up)	1	9
Scarfer and chipper	1	3
Casting machine operator	2	12
Electrician (entry)	13	322
Electrician, ship (entry)	3	152
Electrical repairman	1	2
Electronic component assembler and inspector	2	80
Quality control inspector	1	1
Firesetter (electrical equipment)	1	6
Tester, systems (entry)	3	175
Metal fabricator I	1	16
Fitting man	1	15
Precision lens grinder	1	20
Ophthalmic surfacer	1	1
Piano tuner and repairman	2	24
Stringing inspector	1	9
Broommaker	1	10
Finisher (planing mill)	4	3
Painter, automobile	3	95
Patternmaker, furniture	1	1
Samplemaker, furniture	1	2
Loftsman (entry)	1	125
Template maker (entry)	1	80
Operating engineer II (entry)	3	69
Bricklayer	8	281
Tile setter	3	41
Carpenter, bench (entry)	2	35
Carpenter (entry)	17	395
Carpenter, finish	5	134
Carpenter, rough	3	95
Boatbuilder, wooden	1	16
Joiner (ship and boat building and repair)	1	40
Cement finisher	7	181
Painter, interior finish	4	174
Painter, boat, finish	1	8
Pipefitter (entry)	1	100
Pipefitter (ship and boat building and repair)	6	396
Plumber	6	104
Asbestos worker, pipe coverer	1	36
School bus driver	2	915
Telegraphic-typewriter repairman	1	12
Lineman	1	60
Meat cutter	5	313
Stationary engineer	1	25
Rotary driller	1	180
Well-drill operator	1	1
Millwright	3	63
Airplane mechanic	1	12
Aircraft engine mechanic	2	33
Automobile mechanic	205	4,915
Truck mechanic	2	40
Transmission and differential repairman	2	80
Skilled—Continued		
Tractor mechanic	2	45
Wheel alinement mechanic	2	35
Ignition and carburation mechanic	3	60
Automobile body repairman	105	2,410
Truck body builder	1	4
Air conditioning mechanic (auto service)	1	15
Motor analyst	5	134
Automatic transmission repairman	9	182
Automobile mechanic tune-up specialist	1	15
Appliance serviceman	1	18
Oil-burner installation and serviceman	7	330
Heating and air conditioning mechanic	1	24
Gas appliance serviceman	1	20
Electrical appliance serviceman	23	513
Household appliance serviceman and installer	2	38
Household appliance repairman	9	246
Office machine serviceman	8	165
Typewriter serviceman	1	20
Machine setup man (woodworking)	6	14
Machine fixer	2	8
Television service and repair	12	349
Electric motor repair	1	20
Electronics mechanic (entry)	50	1,584
Radio mechanic	2	75
Maintenance man, building	6	214
Maintenance man, mill	2	13
Construction equipment mechanic	2	35
Engineering equipment mechanic	1	30
Maintenance mechanic	10	146
Molding machine mechanic	3	48
Sewing machine repairman	9	151
Outboard motor repairman	1	15
Gas engine repairman	3	45
Diesel mechanic	11	179
Farm equipment mechanic	4	67
Mechanical equipment repairman	1	15
Air conditioning and refrigeration mechanic	15	271
Instrument man	3	98
Vending machine repairman	1	24
Tool grinder operator	1	4
Knife grinder (woodworking)	1	1
Photographic technician	1	1
Contact printer assistant	1	4
Crane operator	1	12

See footnotes at end of table, p. 40.

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*—Continued

Major occupational group and occupation [1]	Number	
	Projects	Trainees
Semiskilled	561	22,191
Meat processing worker	1	44
Separator man (grain cleaner)	1	5
Meat production operator	1	60
Cigar machine operator	1	18
Transfer knitter	1	15
Seamless hosiery knitter	1	36
Garment looper	1	35
Looper (hosiery)	1	15
Topper (hosiery)	1	7
Gill-box tender	2	11
Comber tender	2	6
Card tender	2	10
Quiller operator	1	2
Production inspector	1	2
Twister-in (textile)	1	1
Upholstery cutter	2	5
Embroidery machine operator	2	95
Sewer, machine (upholstery)	1	5
Sewing machine operator (furniture)	5	43
Glove sewer, leather products	1	12
Sewing machine operator (house furnishings)	2	15
Sewing machine operator (knit goods)	2	152
Upholstery seamstress (retail trade)	1	2
Sewing machine operator (textile)	1	60
Sewing machine operator (garment)	25	2,253
Sewing machine operator (shirts)	5	338
Sewing machine operator (lingerie)	4	201
Carpet tufting machine operator	1	60
Pulpwood cutter	1	25
Dragsaw operator	1	2
Barking machine operator	1	2
Edger man	2	12
Gang sawyer (sawmill)	1	2
Band resaw operator (sawmill)	1	2
Trimmer man (sawmill)	2	6
Sawmill worker	2	58
Action mounter	1	14
Mold sander operator, automatic	1	4
Belt sander, edger-polisher	1	6
Drum sander I (furniture)	1	3
Circular-ripsaw operator (woodworking)	1	21
Band-scroll-saw operator (woodworking)	1	2
Swinging-cut-off-saw operator (woodworking)	1	5
Scrap sawyer (sawmill)	1	15
Variety-saw operator	2	11
Chisel-mortiser operator (furniture planing mill)	1	2
Dovetail machine operator (furniture)	1	4
Tenoner operator (furniture)	2	8
Shaper operator	2	10
Machine operator, general (shaped wood art)	1	20
Semiskilled—Continued		
Boring machine operator (horizontal and vertical)	1	4
Boring machine operator, multiple spindle	1	4
Molder operator	2	10
Woodworker, general	8	183
Glue clamp operator (woodwork)	1	12
Fabricator, metal winder	1	10
Cushion maker (furniture)	1	1
Spring cushion filler (furniture)	1	1
Cushion man	1	1
Variety saw operator (entry)	1	30
Upholsterer (furniture) II	4	74
Upholster helper (entry)	1	20
Case framer	1	8
Furniture assembler	1	4
Stock-parts inspector (furniture)	1	7
Spring assembler	1	1
Springer, hand-tie (furniture)	1	4
Tape-edge-machine operator	1	10
Veneer mill worker	1	120
Slitter and rewinder machine operator	1	8
Splitting machine operator	1	2
Slotter operator	1	5
Die mounter	1	1
Taping machine operator	1	3
Folder-gluer operator	1	3
Corrugated-combining machine operator	1	2
Slitter-scorer-cutoff operator	1	2
Stripper, assistant	1	8
Mixing-machine operator	1	2
Chemical operator II (entry)	1	20
Glue mixer (adhesive man)	1	1
Rubber pressman	1	103
Cutter, hand (boot and shoe)	3	90
Skiver, machine (boot and shoe)	3	85
Cutter, machine (entry)	1	120
Edge trimmer (boot and shoe)	4	59
Groover and turner	1	16
Stitcher, machine (boot and shoe)	12	684
Heel-seam closer (boot and shoe)	2	81
Fancer stitcher (boot and shoe)	1	48
Heel coverer (boot and and shoe)	1	16
Sole layer, hand (boot and shoe)	1	10
Rougher for cement	1	10
Heel builder machine man (boot and shoe)	1	24
Top lift nailer (boot and shoe)	1	24
Blemish remover (boot and shoe)	1	10

See footnotes at end of table, p. 40.

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*—Continued

Major occupational group and occupation [1]	Number	
	Projects	Trainees
Semiskilled—Continued		
Heel emery man (boot and shoe)	2	34
Shoe manufacturing, general	1	180
Case coverer	3	60
Pantograph operator	1	4
Engine lathe operator, II	1	50
Turret lathe operator, automatic (entry)	1	18
Screw machine operator	11	377
Lapping machine operator	1	5
External grinder operator	1	7
Grinder	1	30
Floor assembler	3	54
Assembler (machine shop)	2	45
Machine operator, general	169	6,383
Steel-plate-calker (ship and boat building and repair)	1	6
Welder, arc II (production)	1	42
Welder, spot	1	2
Welder, tack	1	160
Furnace operator, heat treating	1	5
Intermediate level man	1	3
Straighten and cutoff man	1	6
Punch press operator and set-up man	1	10
Punch press operator	1	7
Foot press operator	1	20
Inspector (iron and steel)	1	3
Ladle tilt operator	1	3
Electric furnace, first helper	1	6
Electric furnace, second helper	1	6
Ladle man	1	3
Stopperman	1	6
Machine operator (roller coater)	1	3
Sheet metal fabricating machine operator	6	224
Slitter operator	1	3
Electronics assembler	2	134
Solderer	2	160
Welder	1	80
Chassis assembler	3	578
Electronic assembler	20	1,751
Module assembler	2	255
Testing machine operator	1	2
Ordnance material assembler	1	123
Armature winder	1	5
Coil winder	1	15
Electric motor assembler	1	25
Inspector and tester, motors, generators, and parts	1	90
Cable maker, electrical equipment	1	12
Control assembler, electrical accessories	3	103
Inspector (electrical equipment) I	1	7
Production worker	1	75
Motor adjuster	4	68
Subassembler (aircraft)	1	1,300
Assembler IV (aircraft)	1	1,000
Tank assembler	1	3
Semiskilled—Continued		
Sphere assembler	1	4
Balloon assembler	1	18
Fiberglass lay up man	2	10
Calibrator (instrument)	1	80
Instrument assembler	2	155
Press operator	1	18
Pill machine operator	1	1
Machine operator, plastic	1	12
Oven attendant	1	18
Action regulator	1	9
Action inspector	1	24
Fur dresser	1	6
Inside sorter (broom)	1	8
Broom stitcher	1	8
Painter, spray	3	50
Glass applicator	1	10
Plastic decorator	1	6
Assistant yarn dyer	2	15
Bulldozer operator	2	48
Ladle liner	1	6
Salesman, route	5	110
Tractor operator	3	85
Sewage plant operator	2	86
Frameman (telephone and telegraph)	1	30
Presser, machine	3	90
Shirt presser	4	326
Carpetlayer	1	25
Gold leaf stamper	1	6
Automobile service station attendant	20	595
Automobile service station mechanic	18	548
Packer (furniture)	1	2
Fireman, stationary boiler	1	5
Well-drill operator helper	1	1
Automobile mechanic helper	7	140
Auto body repairman helper	1	15
Auto body repairman helper, metal	2	88
Washing machine serviceman	1	40
Electrical appliance repairman	2	40
Stitcher setup man	1	5
Plastic mold tryout man	1	4
Coin machine serviceman	5	125
Small-engine mechanic	2	32
Saw filer machine	1	2
Greaser (automotive service)	1	25
Blueprinting machine operator	1	2
Tier-lift truck operator	1	5
Gasoline truck operator	2	2
Cable splicer	1	15
Saw filer	1	2
Apprentices	51	458
Carpenter	3	50
Machinist	13	16
Tool-and-die maker	5	154
Toolmaker	1	1
Electrician	1	20
Bricklayer	2	36
Transferrer I	1	3
Lithographic artist	1	7
Offset pressman	1	9
Maintenance mechanic	2	8
Millwright	1	2

See footnotes at end of table, p. 40.

TABLE 4.—*Occupations for which Manpower Development and Training Act institutional and on-the-job training projects were approved, August 1962 through December 1963*—Continued

Major occupational group and occupation [1]	Number		Major occupational group and occupation [1]	Number	
	Projects	Trainees		Projects	Trainees
Automobile mechanic	4	68	Stripper junior helper	1	4
Automobile body repairman, metal	1	2	Book-sewing machine operator I	1	6
Meatcutter	4	20	Springer	1	10
Cabinetmaker	4	41	Pickler	1	1
Furniture finisher	2	9	Slag pit man	1	6
Upholsterer	5	12	Assistant ladle man	1	3
Other	26	234	Wheelabrator and tumbling barrel operator	1	1
			Stocker	1	3
Crab picker	1	100	Billet handler	1	6
Slaughterhouse worker	1	16	Scrap weighman	1	3
Warper	1	2	Action assembler	1	12
Head-saw off-bearer	1	2	Action fabricator	1	13
Trimmer, tailer	1	2	Eyelet operator	1	6
Lumber handler	1	6	Moving man	1	15
Woodenware assembler	1	2	Packer and inspector	1	1
Chipperman	1	2	Warehouseman	1	4
Pressman attendant	1	4			
Platemaker junior helper	1	4	Multioccupation projects	28	20,556

[1] Arranged in order of Dictionary of Occupational Titles code numbers.
[2] Training occupations in this group are all at the subprofessional or technical level.

Senator CLARK. Please proceed, Mr. Secretary.

Secretary WIRTZ. With regard to title I, the only other point which under the exigencies of time warrants attention is the research program, not only with respect to its quality, but with respect to its administrative form. We propose to encourage the establishment of regional manpower research centers by placing research contracts in regionally located universities or related institutions. We have already started along that line. We think that this is important, because it will permit our further recognition of the fact that this program must eventually be worked out on a local and regional, as well as a national basis.

Senator CLARK. Mr. Secretary, you speak of research. Are these in the words of the act, these experimental, development, demonstration, and pilot projects? Or is there a separate section on research?

Secretary WIRTZ. There are two sections here that reflect that. The numbers are specifically—they would be amendments of section 102(5) of the old act and the addition of sections 102(6) and 102(7). This is in addition to a further provision in section 103 with respect to the labor mobility projects, and the remaining point I was coming to. We propose also experimental projects with respect to bonding of trainees.

Senator CLARK. I was interested in the fact that you used the word "research," and I think correctly. But in the language of the act, it is "demonstration," is it not?

Secretary WIRTZ. There are provisions for both research and demonstration projects in the act. Among other things, Mr. Chairman and members of the committee, what this bill does is to move the labor mobility demonstration projects from title II to title I. I think perhaps the most serious difficulties we have had with them have arisen from the fact that there has been some question on the part of the local authorities as to whether they should be charged under the

allocation formula with the expense of these experimental and development projects, and we felt that point was well taken. This would expand the amount of the allocation and move it to title I. Just a word about this proposal for a bonding program for graduates of these training programs. We are running increasingly into the situation that as we take the harder cases, we find included among them some—especially juveniles—boys and girls with juvenile delinquency records. We find after we train them, they have trouble getting a job, because an employer looks at that record and feels it is a risk he cannot take.

So this bill does provide for the setting up of an experimental program to try to meet that situation. It is in general terms. We will have to feel our way along this line. But there is a crime salvage potential here which cannot be overlooked.

The provision for research and development, experimental development work in connection with labor mobility projects is also covered here, and I have noted it.

Then, very quickly, Mr. Chairman and members of the committee, with respect to title II, we are suggesting a number of changes particularly with respect to allowances. We are realizing increasingly that the training allowances are so low that they are denying training opportunity perhaps to that group which needs it the most. The regular allowances today run from about $24 to $44 a month, with some of the trainees receiving an additional $10. In round figures, that means that these people during the training period are getting allowances in the neighborhood of $1,500 a year, plus or minus. That is not enough to keep themselves and their families together.

Senator CLARK. You said a month. You meant a month and not a week?

Secretary WIRTZ. The earlier figure that I gave, if I said a month, I said it inaccurately. It is a week. And the figure for the year would be roughly $1,500 to $2,000. In a good many of these situations, the trainees are members or the heads of large families. So we are proposing several changes, one of which would be to permit the addition of another $5 per week for each dependent over two. That is to meet part of that problem. We are suggesting, and there is reflected in this bill the suggestion that there be extension of the training period, because in some of these cases there is not, under the present bill, authority to carry the training allowances as long as they should go. So that the proposal is that that period be extended up to 2 years.

Senator PROUTY. What is the average training period now?

Secretary WIRTZ. The present average is 26 weeks.

Senator CLARK. Mr. Secretary, could you give us a few examples of the kind of program which might take as long as 2 years?

Secretary WIRTZ. Mr. Ruttenberg's advice on that would be better, and if you would like it more directly——

Senator CLARK. All right, Mr. Ruttenberg.

Mr. RUTTENBERG. There are areas like electronic technicians, mechanical technicians, air conditioning and heating employment repair people. In these general areas that are nonapprenticeable trades, a training period of longer than 1 year is frequently necessary.

As a matter of fact, an attempt to try to compress the teaching of an electronic technician program in less than a year's time has led to the

type of training that produces dropouts, because the individuals cannot keep up with the pace of the training.

Secretary CLARK. Starting with high school graduates?

Mr. RUTTENBERG. In the main, with those who have had high school training, not necessarily all high school graduates, but with 10 years or more educational attainment in the main; although there will be, if we had the authority to go to 104 weeks in training, there would be a substantial number of training courses that now are not given under the Manpower Development and Training Act that would be made available to more than high school graduates.

Senator CLARK. Do you find you can get a significant number of individuals to stick with it at the very low training allowances they are getting for as long as 2 years in order to acquire the skill?

Mr. RUTTENBERG. Well, I think that goes to the heart of the question the Secretary was just talking about in terms of having the dependents' allowances and increasing the amount of income which the individual can receive as a training allowance if he is going to continue through the duration of the course.

The one thing we have found that the longer the training the individual receives, the greater is his chance of not only securing employment, but of retaining the employment once he secures it at the completion of the course. I think the experience under the GI bill of rights indicates that individuals who had an average of 18 months of training tended to have a more stable and steady employment experience than those who had less than that amount of training under the GI bill.

Senator CLARK. Go ahead, Mr. Secretary.

Secretary WIRTZ. The other specifics with respect to the training allowances, I should run through quickly and then return to them if you have questions about them.

As it is now, only one person in a particular family is entitled to receive training allowances. We propose an amendment which would provide that if the head of the family is unemployed, that limitation will not be in effect—that limitation will be taken off. Specifically, right now you may have a situation in which there will be the head of the family and then perhaps two or three others of working age, and we feel that the training allowances should be extended to more than the one situation.

There is presently a prohibition on training allowances for single persons without dependents. We are finding that is particularly unfortunate in its application when you come to the situation of a woman who may very possibly have finished raising her family, a single woman or a widowed woman who now wants to get into the work force. She is denied any training allowance. She would be one illustration of a situation which we think has no basis and which experience suggests we think be changed.

We are finding that with respect to a number of people, especially in large cities, the fact of transportation across town eats up a very substantial part of the training allowance, and we are, therefore, proposing an amendment to the act which is reflected in this bill which would mean that there can be included in the allowances the costs of commuting for the training.

There is a provision in the present bill which prohibits on-the-job trainees from taking outside employment, or rather provides that if they do, their allowances are cut down by that amount. We think that should be changed.

There is another—moving on from the training allowances—there is a provision in the bill which provides that not more than 25 percent of the total trainees drawing training allowances can be youngsters under the age of 22. We are proposing, or the bill proposes, that that figure remain as it is, but that there be a degree of administrative discretion in its administration.

Finally, Mr. Chairman, and members of the committee, the provisions for training under what has been the Area Redevelopment Act—we have had these separate training programs under the Area Redevelopment Act, and under the Manpower Development and Training Act, and it is the consensus of the administration, as reflected in this bill, that these programs should be brought together as far as the statutory authorization is concerned.

I think there is comparatively little dispute or question about that, but I note it here. There have been different training provisions, and they would become part of the same act. However, the provision of training in Area Redevelopment Act areas would not be subject to the matching provision, because by its very philosophy and nature it was directed at those areas which would be less able to match it, so that provision would not apply there.

And neither would the provision for the application of an allocation formula.

Senator PROUTY. Does this mean that the Area Redevelopment Act training program will be eliminated now—no longer in effect?

Secretary WIRTZ. No, it will still be in existence but there will not be separate statutory authorization for it. As it works, Senator Prouty, both Commerce administering the Area Redevelopment Act, and Labor administering the Manpower Development and Training Act work through the Department of Health, Education, and Welfare, as far as the training programs themselves are concerned.

Senator CLARK. Mr. Secretary, Mr. Batt will be here later this morning, and will go into that more fully.

Secretary WIRTZ. I have taken longer than I meant to, Mr. Chairman, and I will merely say that I think this act is essential to the establishment of the goal of full employment opportunity in this country. I think it is the difference btween employment and unemployment for hundreds of thousands of people. I urge its adoption.

Senator CLARK. Thank you, Mr. Secretary. I assume, as we proceed in the consideration of this act, that your staff will be available for more extensive discussion on the amendments.

Senator Randolph.

Senator RANDOLPH. Mr. Chairman, it is my recollection that following the passage of the Manpower Development and Training Act in 1962 that we actually began this program in October of that year; am I correct?

Secretary WIRTZ. The appropriation came in August of 1962.

Senator RANDOLPH. We started in October, as I recall, actively placing the program into effect. I mention this because as far back

as 1961, in the State of West Virginia, we have realized the importance of this type of program. We began it at the State level and during this period of time there have been conflicting reports of the effectiveness, partial effectiveness, or noneffectiveness of the program. The West Virginia program and then the program supplemented by the act——

Secretary WIRTZ. ARA first.

Senator RANDOLPH (continuing). That became law. This causes me to have the record reflect today that the Governor of West Virginia, Hulett Smith, has reported to the Senate Committee on Labor and Public Welfare, through the Senate Subcommittee on Education, while testifying here, that these retraining programs are effective in West Virginia. Governor Smith indicates that the achievement is relatively high from the efforts which have been carried forward.

I ask, Mr. Chairman, consent to place in the record at this point portions of an article which was carried in the Charleston, W. Va., Gazette-Mail of Sunday, February 7, which indicates the type of training and the projects on which the workers have been employed under these programs, including the program which was initiated in West Virginia beginning in 1961.

Senator CLARK. Without objection, that will be done.

[From the Sunday Gazette-Mail, Charleston, W. Va., Feb. 7, 1965]

DIGNITY: STATE WORK FORCE ACHIEVEMENT HIGH

(By John G. Morgan)

Under the West Virginia work and training program, men have dug graves in Charleston, recovered Indian relics at Buffalo, and cleaned the banks of Paw Paw Creek at Grant Town.

They have painted city halls at Belle and Alderson, applied rock, gravel, and red dog to the streets of Anawalt and War, planted pine trees at Cameron.

They have cleaned manholes at Nitro, cleaned the Cherry River channel at Richwood, and renovated nature trails and bridal paths at Wheeling.

Still numbering about 10,000 strong, the men in this program continue to work on a wide variety of public projects throughout the State.

It is a unique program, the first on a statewide basis in the Nation. It is built on the simple belief that men prefer to keep their dignity and their work habits and to get some training if they can. They prefer this to the straight public assistance grant, the handout, the dole.

Unemployed, able-bodied heads of families qualify for participation. They make $1 an hour, up to a maximum of $165 per month.

Since the program was started in August of 1961, more than $57 million in Federal and State money has been paid the workers. The Federal Government carries about 78 percent of the load.

The initial contingent of workers was made up of 2,100 men. More and more were added until March of 1963 when the number on the program rolls reached a peak of 13,951.

The average caseload in the fiscal year ended last June 30 ran 11,342 a month, with total payments for that year amounting to $17,202,752.

In the first 6 months of the fiscal year 1964–65, or through last December, the grants totaled $7,837,067.

In December, the caseload was 10,334. This caseload included 20,048 parents or caretakers, along with 36,604 children.

From an overall standpoint, State Welfare Commissioner W. Bernard Smith has called the work and training program "an invaluable means of aid, not only to those given work assignments, but to the communities in which they live. * * * Children who have never seen their fathers going to work are now beginning to realize the benefits one can receive from striving to better his skills and training."

The State department of welfare determines the eligibility of applicants, certifies the projects proposed by the many State and local governmental units, and assigns personnel to those projects.

Project sponsors (State, county, and municipal) are responsible for supervision of the workers on various jobs and for the tools and equipment used. Workers are paid only with Federal and State money, however.

One of the best-known projects in the Charleston area has been the improvement of Little Creek Park at South Charleston.

This project, to which 43 men were assigned, has been under supervision of the South Charleston Park and Planning Commission.

The work has included the building of a picnic pavilion, a ball park, stone culverts, and a storm drainage system. The men planted grass and shrubbery, cut trees, and burned underbrush.

Other work in the Charleston area has included the digging of graves and general maintenance at Spring Hill Cemetery. Considerable work has been done at Coonskin Park and Shawnee Reservation.

At Oglebay Park in Wheeling, in addition to renovation of nature trails and bridle paths, the workers were employed on construction of a golf course and ski slope.

As direct results of the work of some of the men, the welfare department has received numerous complimentary letters. Many of these were sent to Frederick D. Ehle, program supervisor. Here are some quotes from Ehle's mail:

"We in Kimball, as well as the people of McDowell County and the State of West Virginia, are very grateful for the many improvements that have been made under your capable leadership * * *."—J. V. Larkin, mayor of Kimball.

"Just a line to let you know that the Webster County 4–H camp (Camp Caesar) has been able to make many improvements with the help of the * * * labor which your department has furnished us."—H. A. Burton, camp director.

"All in all, I would like to say that we are very much appreciative of the * * * program and that with it we have performed the useful and needed work that we could not complete without it."—Jess B. Hughes, mayor of Keystone.

"We are proud of the condition of our town and give almost all the credit to the work and training program. It would be impossible to give an estimate of the savings this program has accomplished."—L. E. Bowen, mayor of Gassaway.

"These men have been instrumental in building a very fine park in the city of South Charleston. This park has fine recreational facilities that were supplied by labor furnished by your men. The park is really a showplace for the Kanawha Valley."—Dr. C. Carl Tully, vice president of the South Charleston Park and Recreation Commission.

The number of projects to which program participants are assigned stands at about 500. More than half of the men work on State projects.

By the latest counts, 4,913 men were assigned to the State road commission, 922 to the natural resources department, and 240 to the welfare department. County boards of education employ 707.

The major weakness in the program is that, because of lack of funds for supervision and for tools and equipment, not enough opportunities have been provided for training.

State officials hope that additional Federal funds will become available under the Economic Opportunity Act for more training that would be directly related to current and anticipated labor market needs.

Since August of 1961, an estimated 1,000 persons have been assigned to retraining programs. A factor reflected by this relatively low number is the basic educational attainment level of many in the program.

More than 30 percent of those in the program have completed less than the fifth grade, and their actual educational attainment levels probably would average somewhat below that point.

One of the brighter spots in the retraining area has been a bulldozer-roadgrader operator training course provided at Bluefield State College under the Manpower Development and Training Act, with a concurrent grant from the State-financed area vocational program.

The most recent class began on November 2, 1964, to continue for 16 weeks or through February 19, 1965, at 40 hours per week. Of 15 trainees, 9 were screened from program workers in the Bluefield area.

Actual work experience includes the operation of a bulldozer and roadgrader in the construction of roads in Bluefield City Park. Instruction includes arc and gas welding, hydraulics, and minor skills.

Senator RANDOLPH. I wish to call particular attention to the comment by John G. Morgan, who wrote the article which will be made a part of this record. He said:

More than 30 percent of those in the program have completed less than fifth grade and their actual attainment levels probably would average somewhat below that point.

One of the brighter spots in the retaining area has been a bulldozer-roadgrader operator training course provided at Bluefield State College under the Manpower Development and Training Act, with a concurrent grant from the State-financed area vocational program.

The most recent class began on November 2, 1964, to continue for 16 weeks or through February 19, 1965, at a 40-hour per week. Of 15 trainees, 9 were screened from program workers in the Bluefield area.

Actual work experience includes the operation of a bulldozer and roadgrader in the construction of roads in Bluefield City Park. Instruction includes arc and gas welding, hydraulics, and minor skills.

At this point I wish to emphasize that in a State like West Virginia where we are constructing roads, that such a training course has significant and immediate application on the job that we are attempting to do.

I think this is very important, that skills which we are developing will be used in the State of West Virginia in the construction of all our highways, including the developmental and access roads which are contemplated under the Appalachian Regional Development Act.

So when the program is brought down to the needs of an area and to the development of the skills within the workers who are available for training, I think we begin to come close to the—let us say—purpose which was envisaged in the act of 1962, and which seems now to be in need of amending.

Thank you, Senator.

Senator CLARK. Senator Prouty.

Senator PROUTY. I have already asked some questions.

Senator CLARK. Senator Kennedy of Massachusetts.

Senator KENNEDY of Massachusetts. No, thank you.

Senator CLARK. Senator Murphy.

Senator MURPHY. One thing with regard to the listing of vocational training and the approximate time period for each training.

Secretary WIRTZ. Yes, sir; we are submitting a list of 500 occupations for which training has been approved. (See p. 35.)

(The information requested follows:)

Distribution of Manpower Development and Training Act institutional projects approved in calendar years 1963–64, by weeks of duration

Length of project in weeks	Percent of projects	
	1963	1964
Based on	2,019	2,321
Total	100	100
Under 11	21	16
11 to 15	7	8
16 to 20	13	14
21 to 25	9	11
26 to 30	12	11
31 to 35	3	6
36 to 43	11	11
44 to 52	23	22
Over 52	1	1

Distribution of trainees approved for Manpower Development and Training Act institutional projects in calendar years 1963–64, by weeks of duration

Length of projects in weeks	Percent of trainees	
	1963	1964
Based on	80,830	107,774
Total	100	100
Under 11	34	27
11 to 15	8	9
16 to 20	12	13
21 to 25	8	9
26 to 30	9	9
31 to 35	2	4
36 to 43	8	11
44 to 52	18	17
Over 52	1	1

Senator CLARK. Senator Nelson.

Senator NELSON. Early in your testimony, Mr. Secretary, you said that in looking at some of the provisions that were in S. 2958 that you contemplated making administrative use of them. For example there is a provision in that bill for providing employment for hard-core unemployed in conservation projects.

Do you have any elaboration on that?

Secretary WIRTZ. Yes, Senator Nelson, particularly in connection with the administration of the provisions of the Economic Opportunity Act. I refer specifically to title I as for as youths are concerned, and to title V.

There will be, under the neighborhood youth corps program, under title I–B, the Job Corps program under title I–A, and the work experience program under title V of the act, opportunity to go into some of these conservation projects.

Now, as far as the Manpower Development and Training Act itself is concerned, there is comparatively little opportunity for the development of conservation jobs. It does, however, have a quite close parallel, not overlap but parallel, with this job development program.

Although it will not involve the conservation projects as such, it will involve the development of some of these job opportunities which have been identified, especially in a number of those letters which were included in that committee report. There were some 467 letters, as I remember it, from various people, and we have gone through that list of letters and found that quite a number of those included in that report referred not only to conservation work opportunities but to other undeveloped job opportunities and so there is a parallel between what we hoped to be able to do under this job development program and what was referred to in H.R. 2958, although I do not mean to exaggerate the parallel.

Senator NELSON. Thank you.

Senator CLARK. I am particularly happy to welcome Senator Kennedy of New York, here. He has expressed a keen interest in the work of this subcommittee and I have asked him to feel free to sit with us.

Do you have any questions or comments?

Senator KENNEDY of New York. Could I ask some questions?

Senator CLARK. Please do.

Senator KENNEDY of New York. What is the dropout rate, Mr. Secretary, of those who begin this course?

Secretary WIRTZ. In round figures, the dropout rate would be about 30 percent.

Senator KENNEDY of New York. Now?

Secretary WIRTZ. I should add only that that varies, so that what I have given you is an average that has a very, very broad range, but an average would be about 30 percent.

Senator KENNEDY of New York. Do you have a breakdown of those figures for the various States?

Secretary WIRTZ. We could supply it. It would depend very largely on the nature of the programs involved and there has emerged a quite interesting geographical difference, but we will give it to you in broken-down form.

Senator KENNEDY of New York. I think that will be helpful.

Secretary WIRTZ. If I may supply it for the subcommittee, Mr. Chairman.

Senator CLARK. I will be happy to have you supply that.

(The information requested follows:)

DROPOUT EXPERIENCE UNDER MANPOWER DEVELOPMENT AND TRAINING ACT PROGRAMS

Data cumulative to June 30, 1964, show an overall dropout rate of 27 percent. State-by-State rates are given in table 1. They range from a high of 40 percent in Maryland, and 39 percent in Pennsylvania, to a low of 10 percent in Montana, and no dropouts in the Virgin Islands. Thirty-eight States had dropout rates of 30 percent or under; 14 States had dropout rates of over 30 percent.

Men had higher dropout rates than women—the rate for men being 29 percent while that for women was 22 percent.

Younger male trainees had somewhat higher dropout rates than older male trainees. Female trainees have smaller rates, regardless of age. See below:

[In percent]

Age	Dropout rates by age		
	All trainees	Male	Female
Under 19	27	30	22
19 to 21	28	31	23
23 to 34	28	30	22
35 to 44	26	28	21
45 and over	23	25	22

TABLE 1.—*Enrollees and dropouts to June 30, 1964, by State*

State	Number enrolled	Dropouts (percent)	State	Number enrolled	Dropouts (percent)
Total	70,427	26.9	Missouri	2,566	25.6
			Montana	267	9.7
Alabama	881	27.4	Nebraska	269	28.6
Alaska	197	19.8	Nevada	515	29.3
Arizona	496	24.0	New Hampshire	757	20.2
Arkansas	622	36.5	New Jersey	2,290	27.2
California	6,551	23.6	New Mexico	507	20.1
Colorado	232	25.0	New York	6,753	27.4
Connecticut	2,851	24.7	North Carolina	947	21.6
Delaware	107	18.7	North Dakota	248	18.1
District of Columbia	740	25.9	Ohio	2,983	22.6
Florida	1,065	23.5	Oklahoma	1,387	33.0
Georgia	368	37.5	Oregon	790	21.3
Guam			Pennsylvania	5,081	39.4
Hawaii	297	15.2	Puerto Rico	1,996	20.1
Idaho	90	34.4	Rhode Island	410	33.4
Illinois	5,572	34.1	South Carolina	493	26.2
Indiana	1,441	33.4	South Dakota	48	25.0
Iowa	584	19.2	Tennessee	1,029	30.8
Kansas	648	24.7	Texas	2,612	24.2
Kentucky	1,486	28.5	Utah	535	17.8
Louisiana			Vermont	293	26.6
Maine	1,251	17.2	Virginia	1,170	23.2
Maryland	429	40.3	Virgin Islands	17	0
Massachusetts	2,265	32.3	Washington	2,166	20.3
Michigan	3,254	17.2	West Virginia	606	29.0
Minnesota	833	31.0	Wisconsin	1,213	31.2
Mississippi	75	30.7	Wyoming	144	23.6

Senator KENNEDY of New York. You say:

Over 300,000 unemployed men and women will have been trained under MDTA programs already completed, now in course, or presently approved.

Are those 300,000 who have completed their course?

Secretary WIRTZ. No. The number of those who have already completed the course is much smaller than that, there have been 175,000 already enrolled in programs, and the number who have completed them is roughly 80,000.

Senator KENNEDY of New York. 80,000 completed, and what is the average length of training for the 80,000?

Secretary WIRTZ. Twenty-six weeks.

Senator KENNEDY of New York. Do you know, of the 80,000, how many have received employment in the areas in which they underwent training?

Secretary WIRTZ. Of those graduates placed in employment, 87 percent were placed in training related jobs.

Senator KENNEDY of New York. How many of them were working prior to the time they began this?

Secretary WIRTZ. That I would have to check. A very small number.

Senator KENNEDY of New York. I was just noticing——

Secretary WIRTZ. In fact, none of them would have been employed immediately prior to the training, so the employment would have to go back to an earlier time.

(A table indicating the period of unemployment of trainees appears on p. 55.)

Senator KENNEDY of New York. Your statement says that 40 percent earned more than they did in the pretraining; 34 percent earned the same; and 26 percent earned less, which would indicate that maybe some of these people were already at work.

Secretary WIRTZ. No; not at the time they took the training, but at an earlier period. As a matter of fact, under present authority, we can take only those who are unemployed at the time of the training.

Senator KENNEDY of New York. It says 18 percent have received promotions. How would they get a promotion if they were not working?

Secretary WIRTZ. That statistic focuses on the employment after training. As yet, most graduates of training programs have been employed only brief periods, but already almost a fifth have been promoted to a higher level job than the one they were hired for after graduating from training.

Senator KENNEDY of New York. What percentage of the unemployed would you say could be really affected by this program?

Secretary WIRTZ. That is a terribly hard figure. I can suggest my own thinking about it.

If your question refers to the monthly average with which the country has become familiar of roughly 5 percent, then my answer would be that probably at least one point of that five is potentially subject to elimination through a structural unemployment program, active manpower policies—that there is a potential of cutting that down about one of those five points.

Senator KENNEDY of New York. Would that include the fact that there are jobs available plus the fact that these individuals have the basic knowledge and background that would make them available for that kind of training?

Secretary WIRTZ. Yes, it would.

Senator KENNEDY of New York. Both categories?

Secretary WIRTZ. That is right, and what makes my answer slow to your question is that we have to recognize that the more employment opportunity we develop, the more people enter the work force who are presently not listed as being in the work force. We know that we fight an almost inevitable losing battle, because as soon as we enlarge the job opportunities, more people who are outside the work force come in. So it is going to be very hard ever to get a very close answer to your question, and what I say would be particularly true with respect to the group which you are talking about. There is a considerable group today right outside the present work force. They are not looking for work right now, because they do not have the training to undertake the available jobs; so when we ask them each month, are you looking for work? they say, no, they are not in the work force. The minute we expand both our job opportunities and our training programs, those people around that edge come into the work force, ask for jobs, get the training program, so it is hard to be very statistical in the answer to your question.

But I do not mean to duck it and I would think, risking the danger of using specific numbers where there is not the statistical basis for it,

that at least one point out of those five we are still working on is subject to substantial improvement, if not elimination through an active manpower program, and that in terms of absolute numbers, what we are talking about is a potential which is in the magnitude of roughly a million workers.

Now, that may be high or low, by a very substantial margin, but there are 4 million out of work today. Incidentally, I am talking about this in terms of the monthly average which again is a deceptive figure, because the 14 million people in this country were unemployed at one time or another last year. But I am talking about only that monthly average figure.

Senator KENNEDY of New York. What are the numbers of individuals in this country which, as a practical matter, cannot be trained for positions, as a practical matter, that would be open to them.

Secretary WIRTZ. When you say as a practical matter, you take into account the difficulties of motivation which may have developed from the experience of the past, because that would be a substantial factor in the answer to your question.

I think that over the——

Senator KENNEDY of New York. Plus the fact that we just have not provided the education for them.

Secretary WIRTZ. That is what I meant. Over the long range, my answer to your question is something like less than one-half of 1 percent. That is a figure that has no present statistical basis in this country. But it is a figure that was suggested by experience during the war when we had a completely tight manpower situation, and it is the experience which is suggested by the Western European and the other democratic capitalistic countries which today have full employment. I suspect that it is down around one-half of 1 percent. I mean by my answer to include those people who just from the most extreme mental misfortunes of birth just do not have what it takes to be independent. It is a very low figure.

Now, I think that that figure probably has to be expanded somewhat today in candor because of the inheritance of noneducation and nonmotivation in some families, but I think that is the basic figure.

Senator KENNEDY of New York. We have what? Ten million people in the United States who do not have a fifth grade education?

Secretary WIRTZ. Today that would be about right. You mean adults who do not have it?

Senator KENNEDY of New York. Yes.

Secretary WIRTZ. That is correct.

Senator KENNEDY of New York. Do you have—I do not want to take the subcommittee's time—but if you have some figures breaking that down on how you arrive at your figure——

Secretary WIRTZ. It has very little statistical basis. But it is based roughly on our wartime experience and on the experience in other countries which have a full employment situation today.

Senator KENNEDY of New York. The only reason I raise that is the question of whether our concentration over the period of the next decade must as a practical matter be on the very young people in doing what we could and can.

Secretary WIRTZ. I think we will just do all we can about unemployment among adult workers today, and will know, because of the factor you mentioned, there are limits what we can do about it. The other part is that there is no earthly excuse for anything short of the elimination of unemploment as far as the next generation is concerned. If we will give them the education they need, every other factor will point toward full employment opportunity for the next generation.

Senator CLARK. Off the record a minute.

(Discussion off the record.)

Senator CLARK. On the record.

Senator Prouty.

Senator PROUTY. Thank you, Mr. Chairman.

Mr. Secretary, I would like to get back to your statement again. You mentioned that 80,000 of the 300,000 have completed a training program.

Secretary WIRTZ. That is correct, Senator.

Senator PROUTY. What was the average age of the 80,000?

Secretary WIRTZ. The average age—that I would have to supply. Excuse me just one second. I might have it.

I can give you that, Senator, in terms of those who have been enrolled in the course. I am not sure we would have it with respect to those who have completed it, because we make a study of that group at the point at which they are enrolled, and I rather suspect that is the only figure we have. And on that, there is this breakdown:

Of all those trainees who have been enrolled in these programs, 11 percent of them are under the age of 19; 22 percent, 19 to 21; 38 percent, 22 to 34; 18 percent, 35 to 44; 11 percent, 45 and over.

Senator PROUTY. This is basically or has been up to now a program for the relatively young people?

Secretary WIRTZ. That, of course, depends on where we start from. I guess I would answer that to the contrary. The largest single concentration is between 22 and 34, and that is 38 percent.

Taking 22 or 21 and 22 as the dividing line, the total for over 21 has been 67 percent.

Senator PROUTY. I would think that if you use the figure 34 on down, that you are dealing primarily with young people. At least, I think in that general category.

Secretary WIRTZ. Perhaps from 34 on down. I would like to take an even higher one. Those figures probably take their meaning, Senator Prouty, from another comparison, which is the distribution of all unemployed. We have tried to line them up in that same connection. Our concentration of trainees among those over 22 is almost exactly the same as the number of unemployed over that age. If you take it over that whole period, about two-thirds of the unemployed are over that age, and about two-thirds of the trainees are over that age.

Senator PROUTY. Now, of this 80,000 who have completed the course, how many have received jobs?

Secretary WIRTZ. About 73 percent of them.

Senator PROUTY. Seventy-three percent?

Secretary WIRTZ. Yes.

Senator PROUTY. What is the problem with the other 27 percent?

Secretary WIRTZ. I do not know how much of a breakdown we have. We will find that. I can tell you the largest answer and that is lack

of jobs. A good many of these are in areas which have been worse hit by developing economy and the single largest answer to your question is just plain lack of jobs.

(The information requested follows:)

TRAINEE GRADUATES WHO ARE NOT PLACED INTO EMPLOYMENT

The 73-percent placement record is based on data available from statistical reports on the number of trainees who enter employment shortly after completing Manpower Development and Training Act projects. Followup on the status of graduates is not always possible because of their failure to report to the employment office for placement.

Unavailability of employment opportunities because of business failures, leaving the labor force, and unacceptability of the trainee by the employer are relevant considerations as to why all trainees are not placed.

Our reporting system now includes procedures for periodic followup of this group of trainee graduates on a 3-, 6-, and 12-month basis. We expect to obtain more precise information on posttraining employment experience through this procedure.

Senator PROUTY. Now, you say in the third paragraph:

Another 60,000 have been reached through special projects tailored to the needs of the disadvantaged, the alienated, the bypassed.

Is that in addition to the 300,000?

Secretary WIRTZ. That is correct.

Senator PROUTY. Nearly half of these trainees have been out of work 15 weeks or longer when they entered the training course? What about the others? How long have they been unemployed? Do you have any figures on that?

Secretary WIRTZ. We have all of those figures. On the length of unemployment, the figure is this, as far as all trainees so far enrolled are concerned: 28 percent of them have been unemployed less than 5 weeks when they started the course; 24 percent of them had been unemployed 5 to 14 weeks when they started the training; 15 percent of them had been unemployed 15 to 26 weeks; 12 percent of them had been unemployed 27 to 52 weeks; and 21 percent of them had been unemployed over 52 weeks.

Now, I should like to add to that so that the significance of those figures can be appreciated the fact that we have concentrated much more on the long-term unemployed. To illustrate, let me give you just one figure. Only 4.8 percent of the unemployed in this country have been unemployed more than 52 weeks, but 21 percent of our trainees, our enrollees in the training program, have been unemployed more than 52 weeks.

Senator PROUTY. Will you submit all of those figures for the record, please, so that we will have them?

Secretary WIRTZ. Surely. In fact, I have, Mr. Chairman and Senator Prouty, a table which gives the various characteristics of those who have been enrolled in this program, and I think it might be of interest to the subcommittee. It indicates their sex, their color, their age, whether they are handicapped, their education, the length of their employment, their family status, the length of their work experience, and the training allowances which they have received. I suspect all of that would be of interest to the members of the committee. We will submit that.

Senator PROUTY. I think it will be very helpful.

(The tables referred to previously follow:)

CHARACTERISTICS OF ENROLLED TRAINEES

I. All Manpower Development and Training Act (title II) activity—Cumulative, August 1962 through December 1964 (unless otherwise noted)

	Number
Number of projects approved:	
Total	6,667
Institutional	4,985
On-the-job training	1,571
Experimental and demonstration	111
Number of trainees and individuals to be served and/or trained in approved projects:	
Total	370,021
Trainees	312,803
In institutional projects	284,449
In on-the-job training	28,354
Individuals served and/or trained in experimental and demonstration projects	57,218
Geographic dispersion of approved Manpower Development and and Training Act projects and trainees:	
Number of jurisdictions eligible under the Manpower Development and Training Act	54
Number of jurisdictions with Manpower Development and Training Act projects	54
Institutional projects	54
On-the-job training projects	52
States which have approved institutional and on-the-job projects to train 9,000 or more persons: California, New York, Illinois, Pennsylvania, Michigan, Ohio, Massachusetts, and Connecticut.	
Costs of approved projects:	
Total funds committed	$417,616,000
By function:	
Funds committed for training allowances	190,081,000
Funds committed for training costs	191,464,000
Funds committed for on-the-job training contract costs	18,104,000
Funds committed for E. & D. contract costs	17,967,000
Funds committed for institutional projects	378,001,000
Training costs	190,993,000
Training allowances	187,008,000
By program:	
Funds committed for on-the-job training	21,648,000
Training allowances	2,842,000
Contract costs	13,258,000
Supplementary training (institutional)	471,000
E. & D. allowances	231,000
E. & D. contract costs	4,846,000
Funds committed for nontraining E. & D. services (contract costs)	17,967,000

II. Manpower Development and Training Act institutional

	Percent	
	Trainees	All unemployed (1964)
Characteristics of trainees who have been enrolled:		
Total (127,816)	100	
Sex:		
Male	60	59.6
Female	40	41.4
Color:		
White	73	79.1
Nonwhite	27	20.9
Age:		
Under 19	11	19.9
19 to 21	22	13.8
22 to 34	38	23.9
35 to 44	18	15.6
45 and over	11	26.9
Handicapped	17	
Veterans	17	
Education:		
Completed less than 8th grade	5	18.5
8th grade	8	15.4
9th to 11th	31	25.1
12th	48	29.7
More than 12th	8	11.3
Length of unemployment: [1]		
Less than 5 weeks	28	46.1
5 to 14 weeks	24	28.8
15 to 26 weeks	15	12.6
27 to 52 weeks	12	7.6
Over 52 weeks	21	4.8
Family status:		
Head of family or household	56	
Nonhead	44	
Length of work experience:		
Less than 3 years	30	
3 to 9 years	42	
10 years or more	28	
Training allowances:		
Eligible for "regular" allowances	53	
Eligible for youth allowances	8	
Not eligible for allowances	39	

[1] For the 96,583 persons who were unemployed prior to enrollment in Manpower Development and Training Act training; 8 percent of the total (127,816) were underemployed and 2 percent were low-income family workers.

Senator PROUTY. Mr. Secretary, have you submitted your report to the President which you are required to do?

Secretary WIRTZ. There is a report to the Congress which is due as of March 4.

Senator PROUTY. Where did I get the idea it was 60 days——

Secretary WIRTZ. Sixty days after the convening; that is correct, sir.

Senator PROUTY. It would not be possible to have that earlier for the subcommittee; would it?

Secretary WIRTZ. I will inquire.

Senator CLARK. I think, Mr. Secretary, there is a certain amount of mild executive privilege involved here. After all, the President has to make his manpower report, does he not, and to a large extent that relies on the manpower report you give.

Secretary WIRTZ. There is a large body of statistical data that is attached to that report on which we are working. In fact, it is the President's report, and I would not have, Senator Prouty, any authority with respect to it, but if there is any basic statistical information on which that is based, we would be glad to make it available.

Senator PROUTY. It would seem to me it would be most helpful to this subcommittee if we could have this information before we are called to act upon the bill. We are moving along in the dark, many of us here.

Secretary WIRTZ. Any information you would like, we will immediately supply.

Senator CLARK. I would make the comment, Mr. Secretary, it seems to me you are giving us all the basic material we need in order to give intelligent consideration to the bill which you are recommending, and I think this other material would be useful, and it certainly will be available before we get the bill passed on the floor. We are going to have hearings after Lincoln's Birthday recess.

Senator PROUTY. With all due deference to the Secretary, Mr. Chairman, speaking again only for myself, I do not feel that we have sufficient information, and I can understand it is not possible for the Secretary to present this in a statement——

Secretary WIRTZ. What would you like, Senator Prouty? I think we do have complete information.

Senator PROUTY. I will have a great many questions that I shall send down.

Senator CLARK. I think that is a useful procedure.

Secretary WIRTZ. Surely.

(The questions submitted by Senator Prouty and the Secretary's answers follow:)

Question 1. During the testimony of Dr. Shoemaker, Ohio's director of vocational education, it became evident that some clarification was necessary with respect to the practical application of the 90-to-10 matching provision. Is the 90-to-10 ratio to be applied to the total cost of the program in question, or is the ratio to be applied to training costs and training allowances separately?

Answer. The proposed new section 241 of Manpower Development and Training Act providing for 90-to-10 matching would permit the costs for training allowances and the costs for institutional training to be totaled so that the non-Federal contribution could be 10 percent of the total.

As an example, assume that in a given situation $50,000 was paid in training allowances, and a total of $50,000 was also spent on institutional training programs. With respect to the institutional training program, the State contributed services fairly evaluated at $10,000 The contribution would satisfy the State's obligation under the proposed amendment; that is, the total program cost is $100,000, and the 90-to-10 matching requires a $10,000 contribution by the State.

Question 2. How many individual enrollments for training have there been, ever, training has been approved for a total of some 315,000 persons as of Febru-

Answer. An estimated 200,000 persons have been enrolled in Manpower Development and Training Act training programs through February 3, 1965. However, training has been approved for a total of some 315,000 persons as of February 3, 1965. In addition, experimental and demonstration programs have been approved providing a broad array of services for some 60,000 disadvantaged persons.

Question 3. What percentage of the long-term unemployed constitutes individuals over 35 years of age? How many individuals in this age group have received or are receiving training under the Manpower Development and Training Act and what breakdown do you have with respect to the educational levels of such trainees?

Answer. (*a*) Persons 35 years of age and over comprised 56 percent of all long-term jobless (unemployed 15 weeks or more) in 1964. The long-term jobless numbered 973,000 in 1964, or 25 percent of all the unemployed.

(*b*) Through the end of 1964, 36,650 persons age 35 or over were enrolled in Manpower Development and Training Act institutional training programs, and 1,800 were in on-the-job training. Of the 315,000 persons approved for training as of February 3, 1965, roughly 30 percent will be in this age category of 35 years and over.

(*c*) Precise data on the educational attainment of these trainees are not readily available. However, such data as are available indicte the following approximate proportions:

	Percent
Those with less than 8th-grade education	8
Those with an 8th-grade education	11
Those with a 9th- to 11th-grade education	29
Those with a 12th-grade education	42
Those with over 12th-grade education	10

Question 4. For employment statistics purposes, how do you treat: (*a*) Individuals receiving training under the Manpower Development and Training Act; (*b*) individuals participating in Neighborhood Youth Corps projects; and how will you treat, for statistical purposes, individuals who enroll in the Youth Conservation Corps?

Answer. (*a*) Individuals receiving training under the Manpower Development and Training Act are classified as unemployed unless they do some work for pay or profit during the survey week. Those working and receiving training under the on-the-job training program are classified as employed.

(*b*) Decisions on the treatment in the employment statistics of enrollees in the Neighborhood Youth Corps and the Job Corps have not yet been made. The Office of Statistical Standards of the Budget Bureau has held discussions with the interested agencies and will shortly make a recommendation.

Question 5. (*a*) How many individuals age 65 and over are carried on the statistical roles as unemployed?

(*b*) Has any survey been made to determine whether a majority of these would retire voluntarily if social security benefits were increased substantially or made available to those over 65 who are not now eligible?

Answer. (*a*) In 1964, 118,000, or 3 percent of the unemployed, were 65 and over. At the same time, 1,973,000 workers 65 and over were employed.

(*b*) So far as we know, no such survey has been made. There is some evidence that social security and private pensions do influence the rate at which elderly men leave the labor force. The proportion of men 65 and over who are working or seeking work has declined from 46 percent in 1950 to 28 percent in 1964. This decline is due partly to the increased availability and higher level of OASI benefits, but it is influenced also by such other factors as limited job opportunities, the impact of technological changes and the involuntary retirement provisions of private pension plans.

In a 1951 survey, only 3 percent of recently retired men 65 and over gave a preference for leisure time as the reason for retiring; in 1963, the ratio was 19 percent.

Question 6. What percentage of those who completed training or are now in the process of training are handicapped persons?

Answer. Handicapped persons accounted for 5.4 percent of all those who completed Manpower Development and Training Act institutional training through June 30, 1964.

Question 7. How many enrollees have dropped out of the Manpower Development and Training Act courses before completion of the same, and what were the chief causes for the dropping out?

Answer. During the calendar years 1963 and 1964, a total of about 28,000 persons terminated their institutional training before completion. Chief causes for early termination were lack of progress and/or motivation, and financial pressures.

Question 8. What followup studies have been made in an effort to determine whether those who obtain jobs after training actually retain the jobs?

Answer. As a part of the reporting system established under the Manpower Development and Training Act, form MT–103, followup report on Manpower Development and Training Act graduates is completed for each trainee 3 months, 6 months, and 1 year after graduation. This form became operative only July 1, 1964, and the first tabulations indicate that 76 percent of those for whom followup reports were made were employed. This breaks down to 82 percent of the males and 70 percent of the females. Also a special evaluation followup study has just been completed. About 1,000 Manpower Development and Training Act graduates were interviewed by professional interviewers and it was found that 73 percent of the graduates were at work.

Question 9. Would you favor enactment of a standby program designed to supplement the regular unemployment insurance program at any time in the future when unemployment nationally increases beyond the level for which the regular program would be responsible?

Answer. The whole subject of what changes are needed in the unemployment insurance program is now under consideration. It would, therefore, be premature for the Department of Labor to take a stand on this point. It might be pointed out, however, that the administration's unemployment insurance recommendations to the 88th Congress called for a system of Federal unemployment adjustment benefits for the long-term unemployed with substantial past attachment to the labor force, to be payable at all times. Under that proposal, responsibility for the first 26 weeks of unemployment would be left with the regular program. Benefits under that Federal program would be payable when the individual's unemployment lasted beyond that period, regardless of how many other workers were experiencing long-term unemployment. Such a program not only helps the individual and the community experiencing long-term unemployment in a period of general prosperity, but it also responds to a general downturn more rapidly than a standby program which goes into operation only when the overall level of long-term unemployment reaches a predetermined danger point.

Question 10. Do you feel that Congress should enact legislation which would allow employers a tax credit for training or retraining workers about to be displaced by automation or mechanization or for training prospective employees who are among the long-term unemployed?

Answer. In the course of our discussions of recommended provisions of the Manpower Act of 1965, proposals such as this suggested tax credit were considered. These proposals are still under study and the Department is not prepared to make a specific recommendation at this time.

Question 11. In the report called Toward Full Employment, Senator Jordan and I recommended as follows:

> Under our plan, the individual would be allowed a deduction for any loss of income he may experience because of unemployment, provided he registers with the USES and actively seeks work. If the taxpayer, in the year of unemployment, does not have enough taxable income against which he can offset the full loss, he could carry over any unused part of the deduction to another income year.

Would you comment on this proposal?

Answer. We would not recommend such a proposal. The problems of administering and policing it would be extremely difficult. For example, how would an individual's income loss be determined? For how long could he continue to claim that he is unemployed? What evidence of an active search for work would be required?

More importantly, however, such a plan would seem to give financial aid in inverse relation to the need for such aid. Those unemployed with the most taxable income would get the most credit. Half of those unemployed 5 weeks or more in 1962 had an annual income of less than $2,300 from all sources, including such untaxed income as unemployment compensation and social security. Almost one-third of those unemployed 5 weeks or more who were heads of families had a total family income below $3,000, and only 13 percent had family incomes of $7,500 or more. The cost of such a tax credit proposal in lost tax revenue would do more good, both for the economy as a whole and for the individuals who receive it, if it were spent in job development or in some form of income maintenance for the unemployed during their period of unemployment. Use of the income tax deduction technique has the further limitation that it would fail to provide the worker with income during the period he needs it. There would be a lag, of possibly a year or more, between the time the individual was unemployed and the time when he received the credit.

Question 12. Would it be desirable to amend the Social Security Act and use it as a vehicle for encouraging the transferability of pension rights? For example, agreements could be reached through collective bargaining which would require employers to deposit set sums above the normal social security payments with the social security system, and the individual worker in whose name the deposit was made would accumulate a specific number of pension points which would be or could be increased by his next employer. The pension points would have some dollar or cents value for benefit purposes.

Would you comment on such a plan and any other plans which have been advanced for the consideration of the Department of Labor?

Answer. This proposal is one of several which have been advanced to develop so-called portable pensions under which an individual worker could transfer to a new employer his accumulated pension credits whenever he changes jobs. The President's Committee on Corporate Pension Funds and Other Private Retirement and Welfare Programs discussed this issue and while the Committee's report does not endorse any specific proposal, it does indicate that "the possibility of developing an institutional arrangement for transferring and accumulating private pensin credits deserves serious study."

Question 13. What was the unemployment rate among teenagers in January of 1961? What is that rate at the present time?

Answer. The unemployment rate (seasonally adjusted) among teenagers was 15.8 percent in January 1961 and 15.2 percent in January 1965.

Senator PROUTY. Again, getting back to the statement, referring to the preliminary findings of a Department of Labor study, you point out that 40 percent of Manpower Development and Training Act trainees earn more than they did in their pretraining jobs; 34 percent earned the same; and this figure, I cannot understand, 26 percent earned less. How do you account for that?

Secretary WIRTZ. Because most of the casualties in the economy, Senator Prouty, come because people lose jobs which were attractive to them. Our typical situation, or one of our typical situations, is that of a man who has done quite well and then, because of the evolving economy is thrown on unemployment without any skills he can use some place else. Let me take the situation in the railroad industry. There were 2 million people in the railroad industry as of 1924. Today there are 665,000. If you go back over a much shorter period, employment in the railroad industry has been going down about 2½ percent a year for the last, oh, number of years, so we would have typically a situation in which a man might have done quite well, building up a lifetime of experience in a job, and is then, because of the advent of technology of one sort or another, is thrown on the unemployed list.

The answer to your question would be that this comparison can only be between what he was doing before and what he now does after this training, and that is a product of the economy; not of the training.

Senator CLARK. Senator Murphy points out that he is a classic example himself.

I was going to say——

Senator MURPHY. The chairman said the classic example was the Pennsylvania coal miner. I said look what I had to do to get a job.

Senator CLARK. I guess that is enough of that.

Secretary WIRTZ. If I may add, Senator Prouty, my own experience brings me into that 26 percent who are earning considerably less than what we were 4 years ago.

Senator CLARK. You did not have to take a training course.

Senator PROUTY. Can an analysis be made on the basis of this report to show just what has happened? We have had it in general terms. Can you find out where these people were working?

Secretary WIRTZ. These are preliminary and we will see whether there is a breakdown of the previous occupations, but I hope the record does not leave any confusion about the implications of these figures. This is an extraordinary record of accomplishment when despite the facts of people losing jobs, often skilled jobs, these trainees were able to repair their situation so that 40 percent of them come out even better than they did before.

(The information referred to follows:)

INFORMATION ON MANPOWER DEVELOPMENT AND TRAINING ACT TRAINEES WHO EARN LESS AFTER COMPLETION OF TRAINING THAN BEFORE

In general, those who earned less after training than in the jobs they previously held are employees whose high-skill, high-paid jobs have been eliminated. Coal miners are one example of high-pay workers who have not been able to move into equally high-paying jobs after training. The record pressers at a large record plant who were in the highest wage bracket at the plant after 20 years' service provide another specific example. Upon shutdown of the plant, they were retrained as machine operators and employed at entry rates which are much lower than the rates they had once been paid, although they are due to progress up the wage ladder toward pay close to their old levels.

Senator PROUTY. Mr. Secretary, section 102, paragraph 5, of the existing law reads as follows:

The Secretary shall arrange for the conduct of such research and investigation as give promise of furthering the objectives of this act.

It is proposed to amend that paragraph by adding after the word "arrange," the words "through grants or contracts."

Just what is the difference between existing law and your proposal here?

Secretary WIRTZ. It permits the working out of grant programs where there is some question about that under the present law.

Senator PROUTY. How have you been doing it recently?

Secretary WIRTZ. By contract, and we have been very reluctant about developing or using any grant authority, because we thought there was some question about that.

Senator PROUTY. Is there any limitation as to the amount of grants or money value of contracts in which you can participate?

Secretary WIRTZ. It is not spelled out in here. I would be glad to state for the record that our experience would indicate that we would probably not use more than 10 percent on a grant basis, and that few, if any of the grants, would be more than about $10,000.

Senator PROUTY. But would it be 100-percent federally financed?

Secretary WIRTZ. Yes.

Senator PROUTY. And under your experimental and demonstration programs or with reference to them, is there any financial limitation on the amount a Secretary can expend for such grants or contracts?

Secretary WIRTZ. No.

I beg your pardon. There is none in this statute, the authorization. Now, there is appropriation action which has been initiated in prospect of the enactment of such a program.

Senator PROUTY. Now, turning to the labor mobility demonstration projects, will the Secretary of Labor be able to use all the loans or grants in one or two particular sections of the country?

Secretary WIRTZ. Theoretically, yes. And practically the situation there would be that we would make those studies in whatever place the economy presented the largest opportunity for experience, Senator Prouty.

In my judgment, this is an exceedingly important point. We have to find out a lot more than we know now about mobility, as far as labor is concerned.

It would be our inclination to take those situations in which there has been a serious disruption of employment requiring some people

to move and to study particularly those situations, as, for example, the situation in South Bend, when one of the automobile plants closed there. The situation in various parts of the country where shipyards may close. We would expect to distribute that experience in terms of the availability of good case studies.

Senator PROUTY. If you so desired, all of this money could be spent in one major metropolitan area?

Secretary WIRTZ. If I so desired?

Senator PROUTY. Yes.

Secretary WIRTZ. I desired as a matter of what, Senator Prouty, desired as a matter of personal preference for one part of the country?

Senator PROUTY. If you felt it could be justified, you could spend all of the funds in New York City, could you not?

Secretary WIRTZ. No, I could not.

Senator PROUTY. Why not?

Secretary WIRTZ. Because I have to live with myself, and this administration.

Senator PROUTY. There is nothing in the bill that would prevent it.

Secretary WIRTZ. No, that is correct.

Senator PROUTY. And you could finance such a program completely through grants, if you so desire? In other words, there would be no loan?

Secretary WIRTZ. If the question, Senator, is in terms of whether there is a specific restriction, prohibition on the statute upon that, I have no difficulty with the answer, and the answer is that there is none.

If the question is as it seems to be from the form in which it is put, as to whether that is a conceivable result, my answer is exactly to the contrary.

Senator PROUTY. There is nothing in the bill for that.

Secretary WIRTZ. That is clear.

Senator PROUTY. What success have you had with the projects thus far under existing law?

Secretary WIRTZ. As far as which group is concerned?

Senator PROUTY. The labor mobility.

Secretary WIRTZ. Labor mobility we have not found out nearly as much about that as we should. The others have accomplished a good deal more.

The four on which we are working now—this is partly in answer to your previous question—the South Bend project, to which I referred, another in Minnesota, where 400 workers apparently have to be moved from certain counties in the north if they are to find other jobs. Then there is a project in the Appalachian area of southwest Virginia. There is another, a New York project involving Nassau and Suffolk Counties. Those are the four in which so far there has seemed to us that we have a basis for learning something about the situation. But the whole problem of mobility of labor is brand new to us.

Senator PROUTY. To what extent has small business been involved in this program?

Secretary WIRTZ. To a very large extent, so there is very active exploration with the Small Business Administration about what can be done in rehabilitation projects of one kind or another.

Senator PROUTY. Turning to training allowances. If you permit training allowances for 2 years, would it not be possible for an individual to draw unemployment compensation for a half year or more, then take training, getting 2 years of training allowances, and as a consequence, manage to get himself supported by the public funds for 2½ years?

Secretary WIRTZ. In terms of the question, the answer is, "No," it would be possible for an individual who, in the exercise of responsible judgment, would become a self-supporting, taxpaying, skilled worker to take the training program which is necessary to accomplish that purpose, and to save the Government as a consequence of that at least $2,500 a year the rest of his life.

Senator PROUTY. Is it not possible, under the provisions of the bill as proposed to enable a person to be supported by public funds for up to, roughly, 2½ years?

Secretary WIRTZ. Again, Senator, out of due respect, I do not mean to spar about the matter, if the question is whether there is a specific prohibition on anybody's taking a 2-year training program, the answer is "No." But if the question is, as it seems to me, it must necessarily be, in terms which include the factors of the exercise of administrative responsibility, then the test of whether that would be done would be whether he would profit from that training or not.

Senator PROUTY. Is there any provision of the bill which would prevent a person being supported by the public funds for up to 2½ years?

Secretary WIRTZ. I can answer again the question in terms of whether there is a specific prohibition on 2-year training programs; there is not. There is a specific provision for them.

Senator CLARK. I might point out the support you might get would be very minimum. You cannot live very high on the hog on these training allowances?

Senator PROUTY. Perhaps you do not have the figures in answer to this question, but I will ask it, and perhaps you can supply it for the record.

What is the possible maximum amount it would cost to train a man with four children for 2 years in the State with the highest rate of unemployment compensation?

Secretary WIRTZ. Yes, the range, the top of the range is $44 a week, as of last month. That changes from month to month, Senator. The highest figure was $44 a week, and then you had the provision there could be added to that $5 for each supportable dependent. It would be possible to carry that to $64, multiplied by the period of time involved, $64 would put him at, roughly, the $3,000 a year figure.

Senator PROUTY. When Governor Smith——

Secretary WIRTZ. I should like to add to my answer that is the top of the range, the bottom of the range is $15. In other States, it would be $15, so your answer would come out about a third of the other, with the range being as indicated.

Senator PROUTY. When Governor Smith of West Virginia was before the Education Subcommittee last week, I believe, he pointed out that Manpower Development and Training Act has not been of significant help to those over the age of 35 in his State, generally speaking. And I think he said the average age of trainees there was 28.

Secretary WIRTZ. I will be glad to get that figure, but Governor Smith's figure was that the average age of the trainees in West Virginia was 28. I should not be surprised.

Senator PROUTY. Very few over the age of 35 were helped by the Manpower Development and Training Act funds.

Secretary WIRTZ. We will supply the records on that, but I would have no reason to challenge those figures.

(The figures referred to follow:)

Age of trainees in West Virginia as of Dec. 31, 1964

[100 percent=1,724 trainees]

Age spread of such trainees is:	*Percent*
Under 19	11.2
19 to 21	18.1
22 to 34	41.1
35 to 44	18.9
45 and over	10.7

Senator PROUTY. So we get back to the point that this is primarily a program which is of advantage to relatively young people.

Secretary WIRTZ. Senator, in due respect, but with a certain pride in the figures I gave you before, I can tell you precisely the age groups in which the trainees have fallen, and I think I should apparently repeat those.

The truth of the matter is that the number of trainees, 45 years of age and over, has been 11 percent. The truth of the matter is that the number of trainees, ages 35 to 44 has been 18 percent of the whole group, and the truth of the matter is that those between 22 and 34 have been 38 percent; and the truth of the matter is that two-thirds of all of the trainees have been over 21 years of age.

Senator PROUTY. I am referring to Governor Smith's statement.

Secretary WIRTZ. I do not question the specifics at all. But I am worried about the generalization.

Senator PROUTY. I assume it may well be true in other States. Under existing law the Federal Government pays 100 percent of the cost of training and training allowances. You propose to change this to 90 to 10.

Secretary WIRTZ. That is correct.

Senator PROUTY. The State could match in kind.

Now, when a State matches in kind, may it do so by providing simply classroom space or workshop space? In other words, no money would be involved?

Secretary WIRTZ. The in-kind would permit situations in which the bulk of the 10 percent would be satisfied by services which would include space and that kind of thing. The answer is "Yes."

Senator PROUTY. My understanding is that fiscal 1966 money may be used to pay the cost of programs approved but not funded before June 30, 1965, and there would be no State matching in this type of situation; is that correct?

Secretary WIRTZ. The bill would, Senator, establish a new policy which would permit the funding within the year of the approval of the program.

Senator PROUTY. Can you suggest what percentage of the fiscal 1966 money will be devoted to these programs which were approved

or are approved before June 30, 1965, and for which no matching would be required?

Secretary WIRTZ. That will depend upon what action is taken on supplemental appropriation requests which are presently before the Congress, and I cannot answer the question short of that, but my answer would be that I would hope that that action would bring that answer down to a very low figure, but we have not completed the expenditure programs this year, or the approval of programs this year.

Senator PROUTY. Thank you.

Secretary WIRTZ. I can give you the figure for last year. [Reading:]

As of today, the charge against the 1965 appropriation for allowance payments resulting from projects approved in April 1964 is approximately $49 million.

Senator CLARK. Senator Pell.

Senator PELL. Mr. Wirtz, I was struck with one statement you made and that was that there were more people between 18 and 19 who entered our work force in the last 12-month period than in the whole decade of the fifties. Does that figure really hold up?

Secretary WIRTZ. Yes.

Senator PELL. In other words, on an annual basis, it would be 10 times the number who entered the work force in that period?

Secretary WIRTZ. This is that postwar baby group which is just now hitting the college entrance and the work force entrance days. And there is nothing gimmicky or phony about the figure. That is the impact of that wave on the work market right now.

Senator PELL. It seems an astounding figure.

Secretary WIRTZ. That is why, Senator Pell, unemployment among persons under 19 is today 15 percent; which is, three times—three to four times—what it is among others and that is the reason that figure is the one on which we show no improvement over the last 12 months.

Senator PELL. From the viewpoint of public acceptance or politics, would you hazard a guess as to how many of the Governors support this program—this bill?

Secretary WIRTZ. I would have to check to find whether there are any who would oppose it, and I mean the answer meaningfully; so far as I know, this attitude has been one of complete support but I would not take the risk of suggesting that it is unanimous. I do not know. I will be glad to supply, for the record, a summary and, in specific terms, the answers which Secretary Celebrezze and I have gotten to the letters in which we were urging the 2 and 1 matching figures, and I think it would be helpful, Mr. Chairman.

Senator CLARK. We would, too, Mr. Secretary. We would be happy to have that for the record.

(The information requested follows:)

ACTION TAKEN BY STATES TO MEET ONE-THIRD MATCHING

On September 17, 1964, a letter issued jointly by the Secretaries of Labor and HEW was sent to the Governors of the various States: Puerto Rico, Guam, the Virgin Islands, and to the government of the District of Columbia. The letter pointed out that one-third matching by the States would be required for the fiscal year beginning July 1, 1965, and asked for State cooperation in carrying out the matching program. To assist the Departments of Labor and Health,

Education, and Welfare in their planning, the States were specifically asked whether—

(1) Funds had been appropriated or authorized in sufficient amount to cover the estimated State matching costs for the conduct of training, training allowances, and administration and supervision costs related to institutional training; and

(2) Provision had been made or will be made in the State budget for fiscal year 1966 to cover estimated State matching costs, and favorable action by the State legislature is anticipated.

In reply to question (1), one State said that it had enacted legislation authorizing the appropriation of necessary funds to meet the matching requirements of the act. A second State answered "Yes" to this question, but its answer appeared to be limited to using funds from present budgets for present programs that will extend into fiscal 1966. A third State also indicated that it had authorized the approval from available State moneys of an amount necessary to assure continuation of programs initiated prior to July 1, 1965.

We received 16 "yes" answers in reply to question (2). Several of these were qualified, however, in that, while they indicated that provision would be made in the State budget for necessary funds, it was not possible to determine what action the legislature would take.

Not a single State said that they favored the termination of the Manpower Development and Training Act program. Although our letter to the States did no trequest an evaluation of the program, several States volunteered comments paying tribute to the importance of training under the program and urged that the matching requirements be reduced. Our conclusion, which is based not only on these letters but on other contacts with the States, is that the States desire the continuation of the Manpower Development and Training Act program, but that the majority of the States will not be in a position to meet the present matching requirements by July 1, 1965.

Senator PELL. I was struck by the fact that, in my own State, our Governor, who was opposing the health programs, firmly supported this program. There is some questions of funding, inasmuch as the States presently have to contribute a third. Under this new legislation proposed by Senator Clark and myself, that would still have to be a tenth. Is that correct?

Secretary WIRTZ. That is correct.

Senator PELL. There would be a degree of self-help.

Secretary WIRTZ. The Governor of Rhode Island has asked the employment and service director there to include matching funds in his recommendations for this program.

Senator PELL. Matching funds or complete extension of the present program?

Secretary WIRTZ. I do not know what the details of that are.

Senator PELL. There is another figure you have here: 300,000 trainees have been approved and 85,000 trainees have graduated. Why is there only a fifth of the people being approved who have graduated?

Secretary WIRTZ. The 300,000 figure is the figure which is presently or will be included in programs which have already been approved but some of those are programs which have been approved comparatively recently and, in some of those, there might not even have been enrollment yet. There is a very sharp curve on the number of projects and people under this program; it is going up very rapidly. That figure would be the total for trainees in projects including those which have been approved but not yet started.

Senator PELL. Thank you very much, indeed, Mr. Secretary.

Senator CLARK. Thank you, Mr. Secretary.

Mr. Keppel, would you come forward, and we will get started with your testimony.

I want to apologize for keeping you and Mr. Batt waiting so long. It is just the normal congressional interest in this subject.

Senator PROUTY. Before the Secretary leaves, may I just call attention to a public policy entitled "Pension Programs," which is a report to the President on private employee retirement plans.

I have not read it, but I understand there are no specific recommendations relating to mobility in the entire report. I have not seen it myself. There is no specific recommendations on the transferability of pension funds.

Senator CLARK. Now, Commissioner Keppel, if you would please be seated and perhaps you would like to introduce the gentlemen who are with you.

STATEMENT OF FRANCIS KEPPEL, COMMISSIONER OF EDUCATION; ACCOMPANIED BY JAMES CLARKE, ASSISTANT TO THE UNDER SECRETARY FOR MANPOWER TRAINING, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; AND DR. ROY W. DUGGER, DEPUTY DIRECTOR, DIVISION OF VOCATIONAL AND TECHNICAL EDUCATION, OFFICE OF EDUCATION

Mr. KEPPEL. Thank you, Mr. Chairman.

I am afraid I cannot provide associates who have had the postgraduate training on the staff of this committee, but if I may introduce Mr. Clarke, who has had at least some training which might be related on the staff of the National Association of Bridge & Structural Iron Workers, it suggests some relation to the administrative program involved here.

Senator CLARK. I hope he does not have the same view about the prior testimony of building a bridge as compared to training a worker, which the Secretary referred to in his testimony.

Mr. KEPPEL. On my left is Mr. Dugger, who was the director of the School of Industrial Education at Oklahoma State University, and while in that position also served as State supervisor of technical training services in Oklahoma. He is now Deputy Director of the program in the Office of Education.

Senator CLARK. Thank you, sir.

Commissioner Keppel, let me welcome you on behalf of the subcommittee to another go-around on this matter which we have been in communication with each other for several years now.

I have had an opportunity to read very quickly your 23-page statement. It is full of basic and needed information, and I am going to have it printed in full in the record at this point.

(The prepared statement of Commissioner Keppel follows:)

PREPARED STATEMENT OF FRANCIS KEPPEL, COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the subcommittee, I welcome the opportunity to appear before this subcommittee on behalf of Secretary Anthony J. Celebrezze, and to discuss with you amendments which the President has proposed to the Manpower Development and Training Act.

First, I want to give a brief summary of the progress of the manpower training program. The annual reports on the administration of the Manpower Development and Training Act are required by law of the Secretaries of Labor and Health, Education, and Welfare by April 1 of each year. While these reports will, therefore, appear soon, it is nevertheless in order here to suggest the conclusions of experience before discussing the proposed amendments which that experience urges.

The Manpower Development and Training Act of 1962 was enacted in a belief in its need and in a hope for its success. Since there were no real precedents for it, however, it was necessary to wait and see if the act would serve its intentions well. Now after 2½ years of experience, and with the original act adjusted by the amendments of 1963, we have a confidence that this legislation is sound. The Manpower Development and Training Act is serving well. With this legislation we are providing thousands of unemployed American citizens with the means to obtain employment. A job is a citizen's passport to self-respect and dignity. An employed citizenry is vital to our national economic strength and freedom.

SUBSTANTIAL PROGRESS

The Manpower Development and Training Act has achieved a substantial degree of progress. The cumulative statistics, as of January 26, 1965, reveal that 305,000 trainees had been approved for institutional training projects.

By the end of January 1965, approximately 85,000 trainees had been graduated from manpower development and training programs. The placement rate has been 73 percent, and 90 percent of placements were made in jobs for which the individual was trained. We believe this is a commendable record.

In the earlier stages of the program we "skimmed the cream," as it were—training some individuals who were easier to serve. But now as we are plunging into the harder-core cases of the unemployed and underemployed, we may have to accept for a time a lower rate of placement success. By harder core I mean persons not only without a job, but whose lives have been so lacking in advantages that they are poorly prepared to train for one. We must assume this risk and cope with it.

TYPICAL TRAINEES

Gross statistics, however useful, do not convey any sense of the human dimension of the program, or its variety and drama. It is difficult in figures to extract a picture of a typical trainee.

A bare majority of those enrolled in institutional training during 1964 were white, male, high school graduates. In this group the average trainee was the head of a household who was between 25 and 34 years of age, and had at least one person dependent on him for support. He had been unemployed for more than 5 weeks. The training he received prepared him for a job for which he could not otherwise qualify.

There is probably no typical trainee. Forty-one percent of those who have been enrolled under the Manpower Development and Training Act were women. Twenty-nine percent have been nonwhite, and of those more than 90 percent were Negro. Forty-five percent had not graduated from high school. This includes 5 percent who had not finished grade school. More than one-third of the enrollees had been unemployed for more than 6 months—three times as many as in the labor force as a whole. Many enrollees had been receiving benefits from other public agencies. Approximately 20 percent had claimed unemployment insurance and 9 percent had received public assistance prior to their entry into training.

It is immediately apparent that when these persons are removed from welfare rolls and trained for paid employment, they represent a direct saving to the taxpayer. This is important, but at least equally so are the human values which are concerned. Without the Manpower Development and Training Act most trainees would undoubtedly be subject to continued unemployment, and the human despair and defeat which come from this. Most would have little, if any, opportunity to acquire the new skills necessary to obtain and hold a job.

As a supplementary program, the Congress directed that the work experience programs in title V of the Economic Opportunity Act make maximum use of the training programs offered under the Manpower Development and Training Act.

SERVICE TO YOUTH

The Manpower Development and Training Act has steadily increased its service to youth of age 21 and under. In calendar 1962, 25 percent of the enrollees in institutional projects were in this age category. By the end of 1964, the percentage of youth enrollees 21 years of age or under increased to 33 percent. In the experimental and demonstration projects, 9 out of 10 persons served were 21 years of age or younger.

We know that youth make up by far the largest percentage of our unemployed. Unless they can be absorbed gainfully into our economic life, they constitute, as Dr. James Bryant Conant has observed, an explosive force in our society.

ADULTS STILL PRIME TARGET

We are mindful that the primary intent of the Manpower Development and Training Act is to serve unemployed heads of families or households. We have been consistent with this intent. For that reason, it is worth noting here that the majority of the trainees in the manpower training programs cannot be served by the Vocational Education Act of 1963, because students in training under the Vocational Education Act receive no training allowances. This is a formidable barrier for the average manpower trainee. Few unemployed heads of household can afford to forgo all actual or potential income for the extended period necessary to obtain training. They have urgent responsibilities to their families. The critical factors in dropouts from training are reasons of personal and family finance. Only the manpower training program meets this situation.

MULTIOCCUPATIONAL PROJECTS

In fiscal 1964, 40 percent of all trainees approved were in multioccupational projects. Such a project is simply the gathering of a group of single projects into one coordinated program. A multioccupational project makes it possible to evaluate the potential of each trainee for several occupations in which training is to be given. Multioccupational programs enable us to deal with the problems and the needs of the jobseeker, instead of only with the need for workers. They make a variety of pretraining services available; aptitude tests of the trainee's skills; assessment of his potential and interests; work tryouts; literacy training; and continuing guidance—in addition to his occupational training.

Such a program may be statewide, as in South Carolina, where more than 30 different courses are dispersed throughout the State and have served more than 5,000 individuals. In eastern Kentucky, a particularly hard-pressed area wherein unemployment is more than double the national average, a wide variety of courses have been conducted by the vocational schools.

A special kind of multioccupational project was carried out in South Bend, Ind., immediately after the closing of the Studebaker plant there. The special character of the project was its emergency nature and the capacity of the manpower development and training administrators to act quickly and effectively. The community of South Bend had been hard hit, and hundreds of people were in a state of some anxiety about their economic future. Two weeks after the assembly line closed down, representatives of the Departments of Labor and Health, Education, and Welfare had their first planning conference with State and community education and employment service officials. Within 90 days more than 400 former Studebaker employees were enrolled in 3 types of training courses.

To date, approximately 1,500 trainees have been enrolled in courses in the South Bend project. Dramatic evidence has come to demonstrate demand for newer occupational skills. Several dozen members of a course in computer programing were hired before completing their courses. These placements have occurred in Detroit, Chicago, Gary, and other towns in a tristate area. Starting salaries have ranged from $5,000 to $7,200. Ford Motor Co. is going to interview the entire balance of the class.

This experience may be called upon more frequently. The overall leveling off of defense expenditures, shifts in defense procurement due to changes in weapons requirement, and the closing of obsolete military installations can cause more situations similar to South Bend. Defense industry is highly concentrated geographically. Even slight dips in the procurement program may cause severe hardship to workers in some communities where the majority of

the labor force has been employed in defense industry. The manpower training program can play a vital role in emergency and sometimes near-disaster situations of worker displacements.

WIDESPREAD ACCEPTANCE

There has been enthusiastic response to the Manpower Development and Training Act. Today there are State agreements with all 50 States and territories of the Union. Nationwide, as of December 31, 1964, more than 5,000 training projects have been approved, and more than 3,000 of them are in operation. The major occupations involved include stenographer-secretary, machine operator, typist, clerk-typist, nurse's aid, automobile mechanic, welder, licensed practical nurse, automobile body repairman, sewing machine operator, and electronics assembler. Striking breakthroughs have been made in training for new kinds of job openings. In some instances displaced auto workers and textile workers have been trained for subprofessional jobs in the field of mental health. Rapidly developing fields such as health services in general, and opportunities in State, local, and municipal government, are leading to training programs for older workers, youth, and minority groups. Altogether, more than 500 different occupational titles have been approved for training.

But I only mean to suggest the scope, not to exhaust the detail of our progress to date in administering the Manpower Development and Training Act. The point to be stressed is that we have a body of experience and the accumulation of verified data that assures us we are on the right road, traveling in the right direction. Manpower development and training works. The programs are helping people in the most self-respecting way people can be helped: by giving them the means to help themselves.

The Manpower Development and Training Act is proving itself. However, in times such as ours—of such rapid and massive changes in the economic order—the act should be modified to keep pace.

The Congress has recognized the need of adjustment before. After little more than a year of experience with the Manpower Development and Training Act of 1962, the Congress enacted amendments in 1963 to the original legislation and wisely extracted the lessons from experience at that time. These included permitting programs for the development of basic education and basic work skills, lowering the minimum age requirements for training from 19 to 17 years; making adjustments in the subsistence and training allowances, and other modifications.

Experience since that time has caused those of us charged with administering the Manpower Development and Training Act to recommend further amendments to carry out its intent and spirit.

It is these proposed amendments that I would like to discuss with you at this time.

It is recommended by the Department of Health, Education, and Welfare that the Manpower Development and Training Act be made permanent.

In considering an amendment to the Manpower Development and Training Act to make the legislation permanent, it is well to recall section 101 in title I of the original legislation. This is an admirable statement of the reasons for the employment problems of many of our fellow citizens. Section 101 recognizes the dislocations in our economy due to automation, technological development, foreign competition, changes in the structure of the economy, and shifts in market demands. It takes cognizance of the fact that even in periods of high unemployment, many jobs are unfilled because of a shortage of qualified personnel. This section recognizes likewise the entrance into the labor market of many new young people, the tidal wave as it has been called, of the postwar birth expansion. There was envisioned an extraordinarily rapid growth of the labor force in the next decade.

It was only prudent of the Congress, however, to enact its first legislation in the area of manpower development and training for a limited time, and later to give it a 2-year extension until July 1966. The beginning necessarily had to be experimental. The experience on which to base evaluation in 1963 was sufficiently short to make the first extension of the legislation limited.

Meanwhile what we expected has been confirmed; namely, that the basic economic situation as it affects manpower is not of momentary duration. By the end of 1964, we had already sustained the longest period of economic growth in the history of our Republic. In the last 4 years the gross national product

had climbed more than $100 billion. Every economic forecast gives us reason to believe that the surge of productivity and economic growth will continue through 1965. Yet stubbornly persisting along with this economic growth is a factor of unemployment which remains too high. The unemployment factor has come down slowly. Four years ago it was nearly 7 percent of the labor force. It was approximately 4.8 percent as of January 1965. This is progress, but to bring this rate down further into tolerable confines will take strenuous effort. The fact is that it is economically possible to have a high rate of productivity, a growing economy, and indeed an affluent society without using all of our manpower. But although this is economically possible, it is morally and humanly repugnant. And in the long run we know that unless our human capital is conserved and used, the economy and strength of the Nation will be weakened. It would be unrealistic to claim that the Manpower Development and Training Act has been solely or even mainly responsible for the the progress we have made in combating our high rate of unemployment. It is only one of the tools which the Congress has provided. It has, however, become a necessary and valuable tool.

The most expert opinion does not care to predict what the net result of automation and technology will be on the structure of our economy, our way of life, our habits of work, or our requirements for work. One hears both dire predictions and Utopian descriptions but both are speculative. We can only be sure that we cannot turn our backs on the radical demand for greater job skills, nor can we harden our hearts to the needs of people for gainful employment.

Millions of our fellow citizens have never been educated or trained for the kinds of jobs a new economic order can provide. Other millions have had once useful jobs that the economy no longer needs. The fact now emerges that in the future the average person may have to be prepared to change his economic career several times in a lifetime. In any case, it is mandatory now and for the foreseeable future that we give people the equipment through training, to permit them to contribute to society and to themselves. The manpower training program is a challenge to the American ideal of equal opportunity. It is a challenge to our goals of individual independence and self-reliance.

The basic problems we must meet are not short range, and therefore the solutions to them cannot be short range either. At an immediately practical level the impermanence of the manpower development and training legislation has made it difficult for the States to plan their roles in implementing it. With present authority terminating in 1966, the States are understandably reluctant to appropriate the funds to match the Federal share of training costs and allowances.

The financial barrier to planning might be moderated somewhat if another proposed amendment to reduce the amount of the State contribution is enacted. Even so, however, there are sound practical and psychological reasons for a permanent commitment in the law to meet the long-term problems.

The manpower training program fills a void in the total vocational education structure. The Vocational Education Act of 1963 is a permanent piece of legislation. The manpower training program should match it if an old vacuum is not to reemerge.

After 2½ years of experience under the Manpower Development and Training Act, strong relationships have been developed between vocational educators and employment service representatives. Teachers have been hired and trained. These teachers are now quite expert in the complex business of training adults, and in the equally complex business of training undereducated youth with special problems. The labor-force orientation of the act—the insistence that training be related to actual job openings in the community—has had noticeable effect on regular vocational education programs. Dozens of new programs have been added to their regular offerings and they are kept alert to continuing developments in new job categories. All these gains would be lost if the manpower training program were allowed to terminate or if it were given any suggestion of less than the firmest support.

Our main emphasis, however, is that the problems which the Manpower Development and Training Act was designed to solve are not temporary problems. The act indeed was not conceived as a crash program. The act should be made permanent as an evidence of our commitment to the maximum development of the manpower of the Nation.

It is recommended by the Department of Health, Education, and Welfare that the maximum training period be increased to 104 weeks.

The present statutory limitation on the maximum duration of services in a manpower training program is 52 weeks for the occupational training part of the program. Where basic education and basic work skills must also be provided, the law permits another 20 weeks of training for a maximum of 72 weeks of training. The average planned length of current projects is 36 weeks. This is an increase of 4 weeks over the 1963 average but we are remaining well within the statutory limitations. However, there are some programs for the extremely disadvantaged which we should be doing, but are not, because they cannot be carried out in a 72-week program. We do not desire to lengthen all programs. We are requesting a flexibility to extend some programs up to 104 weeks.

There are two principal reasons for seeking this flexibility: Persons with little education require more time in training. Secondly, some of the new kinds of job opportunities opening up require more extensive training.

Nearly 20 percent of all unemployed persons have less than 8 years of schooling. However, only 5 percent of the manpower training enrollees have less than an 8th grade education. An increase in the number of training weeks would permit an increase in the number of persons with additional educational deficiencies who could be referred to training.

Just as some individuals present special problems in training, some new kinds of job opportunities demand special skill requirements. Our placement data tell us that graduates of the more highly skilled occupational training programs are readily placed in employment. Manpower projection indicate that this trend is going to increase. Even now we can anticipate the time when there will be few places in the world of work open to unskilled persons. New jobs are being created, but only those calling for skills of an increasingly high order. Many job opportunities of this character are now automatically barred from inclusion in training programs by the fact that successful preparation is not possible in 52 weeks. We are particularly aware that the manpower development and training program is not yielding enough workers who are prepared for jobs in scientific and technical fields that are vital to our continued economic growth. Training in many of the electronic, mechanical, and health fields must extend beyond the present 1-year allowance limit. As we face up to labor-force requirements and to demands of employers, we must give more training in certain fields.

It is not anticipated that the length of the average training program will increase sharply with an extension of the statutory limitation on training time. Greater flexibility is needed in order to accommodate the development of services and programs necessary for the most disadvantaged of our fellow citizens. Such flexibility would also enable us to meet the new possibilities for higher skill employment which our rapidly developing technology is creating.

An amendment to permit a training program to carry on for 104 weeks necessarily entails an amendment in the provision for those eligible for training allowances to accommodate this extension. Our third proposal is as follows:

It is recommended by the Department of Health, Education, and Welfare that matching for training allowances and institutional training programs provided by the Department be continued on a 90/10 basis after July 1, 1965, and that non-Federal contributions be in cash or kind.

Under the current Manpower Development and Training Act legislation, the States, beginning with fiscal year 1965, are to pay for one-third of the cost of the programs, and following that year are to pay one-half. There is impressive evidence however, that a number of State legislatures will not authorize matching funds at these ratios beginning July 1965.

A resolution adopted unanimously during an October 1964 conference of Southern Governors calls for continued 100 percent financing by the Federal Government of manpower training projects. A similar resolution was also adopted in October 1964 at a meeting of the senior officials of all State employment security agencies.

It is a fact that the States have exerted strenuous effort in recent years to meet the needs of their people. The States and municipalities have had to bear the brunt to date of coping with the knowledge explosion and the population explosion in our Nation. Sixty-nine million persons have been born in the United States since 1949. We have had a net increase in population equal to the present population of Great Britain. The States and municipalities have stretched themselves to the utmost to provide the new facilities and public services that this population growth has required. Since most of this population is still in school, State and local governments have expended large resources for

new schools, teachers, and educational equipment. Their gross effort in the last 19 years is startling: State-local bonded indebtedness since 1946 has increased more than 400 percent. Per capita State-local taxes have jumped more than 213 percent. This is many times the expansion of the Federal Government in these categories during the same period. This great effort has been made in spite of the inherent limitations in the taxing ability of the States and local units of government and in their sources of revenue.

States that have been hardest hit with problems of economic dislocation of workers, and who suffer a high unemployment rate or who have a greater problem with basic poverty, are caught in a vicious circle. They need more assistance than do other States. Yet their very condition reduces their financial resources with which to buy that help.

The Economic Opportunity Act of 1964 and the Area Redevelopment Act provide Federal training funds on a 90:10 and a 100 percent basis respectively. It seems unrealistic to expect the States to provide a higher ratio of matching funds under the Manpower Development and Training Act, to continue the essential training needed for thousands of unemployed workers. Our next proposal is as follows:

It is recommended by the Department of Health, Education, and Welfare that the occupational training provisions of the Area Redevelopment Act be carried out by the Secretaries of Labor and of Health, Education, and Welfare according to the Manpower Development and Training Act in cooperation with the Secretary of Commerce. Training programs carried out in areas designated as redevelopment areas under the Area Redevelopment Act will carry full Federal financing.

The Manpower Development and Training Act provides more diversified opportunities in occupational training than the provisions of the Area Redevelopment Act. The authorizations of the latter are more limited in nature and in scope.

It is becoming increasingly important also to incorporate the area redevelopment training projects into comprehensive State planning for manpower development. The recommendation that the Manpower Development and Training Act absorb the training provisions of the Area Redevelopment Act would facilitate the accomplishment of this planning. We further propose the following:

It is recommended by the Department of Health, Education, and Welfare that the Manpower Development and Training Act be amended to include a more significant role for experiment and demonstration and that the Secretary of Health, Education, and Welfare be involved in research projects in institutional training and the institutional training aspect, itself, of this important activity as set out in the proposed section 102(6).

The Department of Health, Education, and Welfare is prepared to assume the administration of expanded and more flexible activity in research and in experimental and demonstration projects. The Department is in accord with the statement in House Report 861 of October 19, 1963, of the House Committee on Education and Labor (sec. H., p. 20) that there are "unique and critically important contributions made to the program by these projects" and that the Department of Health, Education, and Welfare should seek to "develop more fully than it has, its participation in this research."

Research, experiment, and demonstration are indispensable adjuncts to an effective program of manpower training. The resources of all public and private agencies able to contribute innovations to the total training effort must be sought out and used on a broad and continuing basis. The Department of Health, Education, and Welfare is vitally interested in new and different approaches to institutional occupational training.

New training methods have already been developed as a result of imagination and ingenuity. For example, here in the District of Columbia, private business has developed unique training methods by which even those persons lacking a high school education can be trained for certain data processing jobs in a relatively short time. The Bedford-Stuyvesant project in New York is achieving significant success in using programed instruction. Other projects have made notable progress in teaching techniques and curriculum development to communicate basic education to culturally deprived individuals, and thus have broken through barriers that deplete motivation to learn new skills. This breakthrough is highly important, for more than 90 percent of the persons being served in experimental and demonstration projects are youth. These include a large number of school dropouts and other alienated or socially maladjusted persons.

Despite the inventiveness and promise of these projects and others which have developed elsewhere, they are limited in scope. With the appropriate authority, the Department of Health, Education, and Welfare could take greater initiative and could more successfully pioneer in the areas of experiment and demonstration. To this end the appropriations should be increased so that greater effort can in fact be applied.

Experiment is vitally needed to provide special training programs for those workers who are now being displaced by automation and technological change.

It is important likewise to put continuing research into the training effectiveness of programs we have instituted. We should know why some individuals drop out of our programs. We should be able to measure their level of skill achievement by acceptable standards, and be kept alert to all the problems of adjusting training programs to the shifting job requirements in the rapidly changing work patterns of our economy.

The Institute for Social Research of the University of Michigan is conducting a national "Attitude Survey of Manpower Development and Training Act Trainees" for the Department of Health, Education, and Welfare. The institute is also conducting another study, an outgrowth of the attitude survey, on the Chicago JOBS project. Partial results of the attitude survey will be available in time for the Secretary's manpower training report to the Congress. Meanwhile, statistical analyses also are being made on the Chicago JOBS project.

Chicago JOBS was designed to take unemployed and selected "unemployable" youth and transform them into productive, working young men and women. These young people come from deprived environments. Of the approximately 1,500 enrolled in the 1st year and more than 1,800 in the 2d, the average trainee had dropped out of school in the 10th grade, had a 6th-grade reading level, and had a 5th-grade arithmetic level. In 6 months of training the first trainees made a 2-year grade level advance in reading and mathematical skills. These people had been severely disadvantaged. By a combination of basic education, vocational education, and counseling, Chicago JOBS has had marked success in moving these youths from apathy and alientation to an atmosphere of opportunity and freedom.

Chicago JOBS is a particularly valuable project, and the kind of continuous program evaluation research being done there is necessary in other projects if we are to achieve and maintain a high degree of efficiency in serving the needs of manpower training in the most difficult cases.

The Department of Health, Education, and Welfare concurs in the other amendments to the Manpower Development and Training Act now pending before the subcommittee and as recommended by the administration. They are not discussed in this statement because they were fully covered in testimony by the Secretary of Labor. It seems sufficient to say that we are in agreement that these amendments are necessary if the intent of the act is to be fully carried out.

Senator CLARK. You have given us a very helpful summary of the experience that HEW and the Office of Education in general has had under the act, but I am going to ask you subject to other members of the subcommittee calling you back and discussing the earlier part of your statement, if you would start with your specific recommendations, the idea being in mind that all members of the subcommittee and staff will read your statement and give us your specific reasoning in support of each of your specific recommendations.

Mr. KEPPEL. Thank you, Mr. Chairman. I would be glad to do this.

The first recommendation is that the Manpower Development and Training Act program be made permanent.

The lines of reasoning expressed by the Secretary of Labor are fundamental, of course, to this whole program.

I might add to it, and in order to avoid any duplication of statement before the subcommittee, that from the point of view of quality of training and of consistency of operation it is going to be of great

benefit if the vocational technical program that we so often associate with the secondary schools in the Vocational Technical Education Act of 1963, and the Manpower Development and Training Act, had this permanent character, so that their interrelation can be continued on a basis which does not have the temporary feel to it.

I can speak to this perhaps a little better than the Secretary would want to himself.

Senator CLARK. I think it would be useful if you said a word or two about why you feel we need both the vocational programs in the public schools and the community colleges and the Manpower Development and Training Act.

Superficially, it looks as if there is some overlap, but what can you tell us about that?

Mr. KEPPEL. I think the basis of my response, Senator, would be that the fact now emerges that in the future the average person may have to be prepared to change his economic career several times in a lifetime.

Clearly, the secondary school program is devised for a different purpose. It is a starting point.

Senator CLARK. Once a man gets out in the labor force, we cannot abandon it enabling him to change and all that is involved to make it possible to get him employed.

I gather you would concur in what the Secretary said a few moments ago, that perhaps the most single important type of individual you are training is the individual who is beyond the school age, or more additional emphasis on the school dropout.

Mr. KEPPEL. As the Secretary pointed out, two out of three of those presently in training are well past school age.

Senator CLARK. The suggestion has been made that we might consider them a lost generation, forget about them, and just concentrating on the training of the next generation.

What do you have to say to that?

Mr. KEPPEL. I am part of the generation that would be lost. I am not for that at all. [Laughter.]

Senator CLARK. Do you want to say anything more——

Mr. KEPPEL. May I add one point, sir, with regard to the first recommendation, as to making it a permanent program.

The sentence that I ventured to bring to your attention that fellows have to change their economic careers presents a special problem, obviously for those who are heads of families, and the kind of training that is provided in the Vocational and Technical Training Act, which does not provide the living costs and the like, clearly cannot do this. It is simply unreasonable and unfair to suggest it.

One of the good things that has happened, is the developing cooperation between what one might call the school vocational and technical education program and the manpower development and training program. My testimony this year on this part is different from what it was a year ago. There are now many experiences which remove most of our earlier worries about whether the two programs could be handled cooperatively. This is in my judgment a better situation than we thought it might be a year ago.

The second recommendation, Mr. Chairman, is recommended by HEW, that the maximum training period be increased to 104 weeks.

As I understood the Secretary's testimony, and let me oversimplify it, there are in effect two major categories in which length of training would be advantageous, the first for the highly skilled occupations where the present limitation keeps a man from going to the full length of training necessary for that kind of employment.

The second, sir, is the exact opposite, the man of woman whose grasp of language or the essential arithmetical processes is inadequate to go anywhere.

Educators are not proud of their record in handling literacy training. My own office is conducting research to find better methods.

The fact that we do not have instant literacy—perhaps we should be criticized for it—is no reason for not providing the length of time necessary at this other end of the scale, the length of time necessary to assure that that training can be accomplished.

Senator CLARK. As a man who has spent most of his life in education, you have no doubt that you can usefully give courses as long as 104 weeks for the training or retraining of adult individuals for employable skills?

Mr. KEPPEL. I have no doubt about that, sir, none whatever. I think the record of the psychologists, as well as the experience of the educators, is clear on that point.

Senator CLARK. Does that pretty well clean up your comments on those?

Mr. KEPPEL. Yes, sir.

Senator CLARK. Senator Javits, Secretary Wirtz has very kindly agreed to wait until you get here.

Senator JAVITS. I just have a couple of questions. I will just keep you very briefly, and I am grateful to my colleague, Senator Prouty, and the chairman for getting me this opportunity.

I am very interested in training allowances, Mr. Secretary. I notice with great satisfaction that you are revising the amounts of the training allowances. This is a subject that I raised particularly in 1963, and I am very pleased to see that a good deal is now being done. I still think we ought to provide some relationship to the average manufacturing wage, but we are doing better.

What about placing relocation assistance on a broader basis than the experimental projects only? Is there any thinking in the Department on that score?

Secretary WIRTZ. I can give you pieces of an answer, Senator, which might appear to you encouraging, but I think the fairer statement to you is that we recognize this relocation matter as still just almost unplowed territory. It would be a mistake to convey any different impression. We started as recently as 3 years ago, you will recall, and I think it was with great timidity or temerity that anybody even came up here to talk about the possibility of relocation. It was considered a politically untouchable kind of subject. In the Trade Expansion Act, there was the first marking out of the necessity of facing up to that fact. That was in 1962, and in the period of the last 2 years there has been a square, I think, facing of these facts. We now have these experimental projects, and we now have the attention to this matter, too, in this report which has been prepared on pension and welfare funds, so that there are these now from which I can construct

an affirmative answer to your question. But the truth is, we are just still barely nipping that problem.

Senator JAVITS. I would like to endorse Senator Prouty's view on the question of the transferability of pension plans. I would like to ask you if your Department will consider, with the Treasury Department, one, the possibility of requiring that pension plans, to be eligible for tax treatment as pension plans, meet certain standards with respect to vesting, and so forth, because that would then immediately produce the making——

Senator CLARK. While you were out of the room, Senator Javits, I pointed out this was one of the recommendations of the majority report last year based on some pretty good testimony we got from the Swedish experts, and I am happy to see the minority shares our views about that.

Senator PROUTY. I think it also was the recommendation of the minority report.

Secretary WIRTZ. On this, may I make sure this includes my report that I issued 2 weeks ago as a Cabinet member, which I understand the subcommittee has before it.

Senator JAVITS. Another question I have is, whether the Treasury and Labor Departments might not come up with some Government way in which we could finance a payment from old employer A to new employer B of the funded value of the pension plan of a transferred employee even though the pension had not yet ripened and matured, so that the amount would be repaid over, when it did ripen and mature, whether by the death of the man in question or whatever was the situation, so that the employee would be covered promptly because he was able to make the transition through funds supplied by the Federal Government. This is a bank or credit idea. I think a number of such proposals might well be considered.

Senator CLARK. You would also include an expiration of tax situation; would you not? There might be some tax situation worked out which would make this more palatable to private industry.

Senator JAVITS. Quite definitely.

I have two other points I wanted to cover with you. Could you tell us how we could better attack the tremendous disproportion which faces youth in the minority groups, Negro an other nonwhite youth, in relation to its unemployment ratio and job opportunity lack as compared with the normal white American youth? It seems to me that those are the most shocking figures which are before us in the whole manpower field. Sometimes in my native city, for example, this disproportion is as high as 4 to 1; in other words, four times as much unemployment among Negro youths, especially girls, and boys as well, as among white youth of the same age, same talent, same training, and so forth.

Now, could you give us some way in which we might move more decidedly into that area?

Senator CLARK. I think one way would have been to enact as part of the Civil Rights Act of 1964 the title VII which was prepared in this subcommittee, helped by the Senator from New York, which I think was a much more incisive bite, but the Senator from New York knows the problems we had in that regard on the floor.

Senator JAVITS. I know the Secretary feels about it as I do. No one wants to give the Negro a job preference. You cannot do that, and it is not right to do it. But we do realize that there must be some area of greater accessibility of training, because these people are really so far behind, and it shows up so very markedly in all the figures—the unemployment figures, which lead right into the juvenile delinquency figures, and so on. And somehow or other some special program is necessary to bring us abreast to some extent in a progressive way of that awful problem.

Secretary WIRTZ. I would have these general comments, Senator.

First, appreciation of the identification of my position on this with yourselves, as far as what we are trying to get is concerned.

Second, in the administration of the various programs, I think this factor is being considerably taken into account; for example, among our trainees the percentage of nonwhite trainees is 27 percent. That compares with about an 11-percent figure as far as population as a whole is concerned. And it also compares with a figure of 21 percent as far as unemployment is concerned. So there is a substantial recognition of that.

As part of my second point, there is in the administration of the Economic Opportunity Act programs and including the Neighborhood Youth Corps, the Job Corps, the community-action programs, a substantial recognition of this factor.

Also as a part of the second point, there is, and Commissioner Keppel could speak better to this than I, in the education proposal which is presently before the Congress, I think a considerable recognition, in terms of the concentration of this problem in particular areas. But my third point is this: I think that we will move at this point most effectively if we recognize the problem to which you refer is not entirely a racial minority problem, but is a problem which identifies the minority in terms of disadvantage in one way or another. Most of these figures will show that although the problem is worse in the nonwhite group, if you start making the comparison as among the disadvantaged as a whole, then some of those lines disappear. I have gone over the census tracts in one city after another in this country, and I find that the closest correlation between unemployment, which is our particular interest, the closest correlation is not between unemployment and race, it is between unemployment and lack of education of the parents. And in most of these cases what we will find is a group of disadvantaged people of among whom every four out of five are white and one is nonwhite.

That is the typical pattern, and I think that more and more there emerges the necessity or the desirability of viewing this problem in terms of a minority which we call the disadvantaged, and which includes a disproportionate percentage of Negroes compared with the rest of the population, but I think we are going to get further now concentrating on the factor of disadvantage, the factor of ignorance, the factor of unemployment.

Senator JAVITS. May I say, too, that I believe very much in Senator Prouty's legislation which I noticed in his statement he is going to put in again, and I certainly hope to join with him, for tax exemption for training on the part of private business. And I would hope that your Department, along with both labor unions and employers, would

stimulate a very great interest in this field, because it is a fact that though you are training 300,000 people in your program, that probably is something in the order of magnitude of 5 to 10 percent of what needs to be done. We all understand that. But I do think that you can have a great effect in your Department and in the Commerce Department in proselyting American business into this field. I know of many banks, for example, which are taking Negro boys just out of high school, who look as though they might have something on the ball, and starting them in their training a year or two before they give them a job in the bank, and paying the bills.

Now, that is a most extraordinary thing, and I wish it were happening more often. I commend to you that kind of stimulation. There is nothing like the Secretary of Labor or the Secretary of Commerce or the President giving an E award to the First National City Bank of New York, or the Chase, or whichever happens to be doing it, because they are rendering such an enormous national service in a manpower training program, and that kind of technique I do not think we use enough, except in wartime. And I commend that to you, because I think that in this particular field that kind of thing is extremely essential.

Secretary WIRTZ. May I say only this, Senator, that this thinking enters very substantially into the proposed job development program which the President announced as of last week, and which we bring to this committee as what we think is part of an important program.

With respect to the tax incentive problem as such, it has received very extensive consideration, and the principal difficulty it encounters is the one Senator Prouty referred to in another connection, the danger of the public undertaking paying the bill for training that ought to be done privately.

I think there is still an area of development along the lines you indicate. We have to be careful we do not give tax incentives for what would have been or ought to have been done independently.

I think there is a necessity for the emphasis you have placed on it here.

Senator JAVITS. Finally, Mr. Secretary, I would like to report from you on the experiences of these relocation allowances you talked about before, even the experimental ones, and I would also like a report for the record of the experience of the National Manpower Advisory Committee established under the Manpower Development Act.

(The reports requested previously follow:)

NATIONAL MANPOWER ADVISORY COMMITTEE

The National Manpower Advisory Committee was appointed by the Secretary of Labor in September 1962 pursuant to the Manpower Development and Training Act of 1962. The committee consists of 10 members and is composed of representatives of labor, management, agriculture, education, training, and the public in general. The major function of the committee is to advise the Secretary on the carrying out of his duties under the Manpower Act. Eli Ginzberg of Columbia University is chairman of the committee. Three subcommittees and a panel have been appointed. Richard A. Lester, of Princeton University, is chairman of the subcommittee on research; William G. Caples of the Inland Steel Co., Chicago, is chairman of the subcommittee on training; and Felix E. Larkin of W. R. Grace & Co., New York, is chairman of the subcommittee on community relations. C. Gilbert Wrenn, of Arizona State University, is chairman of the panel on counseling and selection.

The National Manpower Advisory Committee has had six meetings. Its subcommittees and panel together have had 14 meetings. Individual members of the groups have frequently been consulted on special matters in the interim between regular meetings. The views of the advisory groups have been especially helpful in drafting the manpower report of the President, as required by section 104 of the act, and the accompanying report on manpower requirements, resources, utilization, and training by the Department of Labor. The subcommittee on research has made a number of suggestions for the development of a comprehensive program for manpower planning, research, and evaluation pursuant to title I of the act, and for strengthening the Department's research potential. The panel on counseling and selection has been most helpful in identifying areas in counseling and selection in which research might usefully be undertaken. At its last meeting this panel submitted a proposal, which was subsequently accepted, calling for a conference to be held next spring to explore the supply and demand for counselors in public agencies.

U.S. Departments of Labor and Health, Education, and Welfare—National Manpower Advisory Committee, Washington, D.C.

MEMBERSHIP OF COMMITTEE

Labor:

Joseph A. Beirne, president, Communications Workers of America, AFL–CIO, Washington, D.C.

Peter T. Schoemann, general president, United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry, AFL–CIO, Washington, D.C.

Management:

William G. Caples, vice president, Inland Steel Co., Chicago, Ill.

Felix E. Larkin, executive vice president, W. R. Grace & Co., New York, N.Y.

Agriculture: Varden Fuller, professor of agricultural economics, University of California, Berkeley, Calif.

Education: (Mrs.) Louise G. Daugherty, district superintendent of schools, District No. 11, Chicago Public Schools, Chicago, Ill.

Training: M. D. Mobley, executive secretary, American Vocational Association, Inc., Washington, D.C.

Public:

Ivan Allen, Jr., mayor of Atlanta, Ga.

Upshur Evans, president, the Cleveland Development Foundation, Cleveland, Ohio.

Eli Ginzberg, chairman, Director of Conservation of Human Resources, Columbia University, New York, N.Y.

Labor Mobility Demonstration Projects

PREPARATION

This demonstration program is being developed to gain experience in a variety of geographic areas with varying groups of unemployed workers. The intent is not simply to move a number of unemployed workers but rather to develop information and experience on unemployed workers' interest in relocation, the problems encountered by individual workers in relocation, organizational difficulties in developing successful relocations, and useful means of overcoming obstacles to desirable relocation.

Public and private agencies potentially interested in conducting such projects have been widely consulted on the means of setting up such efforts and on situations which would be suitable for pilot projects.

A series of standardized definitions, procedures, and instructions were developed to provide a minimum common base for each of the separate projects to meet the many operational questions and problems which have been raised, although it is recognized that each project will in addition have some distinctive features.

Some projects will operate through facilities of the Federal-State employment security system, while others will be conducted by private nonprofit organizations.

Each project involves selection of specific unemployed groups, counseling as necessary, development of suitable jobs in other areas, arranging for the moves, and subsequent supporting service and follow up.

SPECIFIC PROJECTS

At this time, five projects have been formally agreed to, while eight others are in late stages of development. Four or five others are being considered. Additional agencies, public and private, have expressed interest in running such projects, but are not ready to do so this fiscal year.

The range and types of projects being undertaken in the initial group are indicated by the brief descriptions below:

(1) In Virginia, unemployed workers from the high-unemployment areas of the southwestern part of the State (basically rural) are to be moved through the State employment security system to jobs in low-unemployment areas in the more industrialized sectors of the State. The project is planned in terms of 200 relocations.

(2) In North Carolina, a private organization (the North Carolina Fund) which is conducting an experimental retraining project, will work with unemployed and underemployed rural workers in the eastern part of the State on relocation to the industrialized Piedmont region and to other Eastern States. The maximum number to be relocated by this project is 200.

(3) In Indiana, unemployed workers in South Bend who have gone through Manpower Development and Training Act training programs to equip them with new skills in demand elsewhere will be aided by the State employment security agency in relocating to other areas, in and out of the State. This trainee group to be worked with is relatively small; about 25 relocations are aimed for.

(4) In Minnesota, a cross section of unemployed from several high-unemployment parts of the State are to be relocated by the State employment security agency to high-demand areas of the State. About 400 relocations are planned.

(5) In New York, unemployed workers laid off from defense industry in the Nassau-Suffolk County area who have come to the local employment service offices for assistance will be considered for job openings, mostly outside the State. About 200 relocations are planned.

Among other likely projects are ones focusing on skilled and technical workers in California, unemployed workers over age 50 in South Bend with whom the National Council on the Aging has been working, long-term unemployed in West Virginia and unemployed persons being given Manpower Development and Training Act training by Tuskegee Institute in Alabama.

In some of the projects, distinctive research efforts will be undertaken by separate research organizations to develop information in depth on the reasons for unemployed workers' interest or disinterest in relocation and on the comparative long-term experience of those who relocate as against those who do not.

Each of the projects differ in many other respects not noted above. We will be glad to provide additional information on more specific aspects of any of these projects.

Overall, it is expected that the first relocations will be in March. The bulk of the relocations will occur in May and June.

Precise costs cannot be determined in advance, but if the projects already largely developed (roughly 15), and the number of workers for whom relocation will be sought in each, materialize as planned, it is anticipated that from $3.5 to $4 million will be required to implement the pilot program. The projects are being held down so that the maximum $4 million authorized will not be exceeded.

NEED FOR FURTHER EXPERIMENTATION

In developing the projects being undertaken this fiscal year, we have repeatedly been struck by the wide variety of situations in which it would be desirable to develop pilot efforts but in which it is not possible to do so within the time and funding limitations of the original provision authorizing such experimentation.

We have found, too, from the reactions of the local officials who will actually conduct the projects, that the limitations on the financial assistance available to individual workers for relocation may not adequately meet the financial barriers to mobility of unemployed workers.

It is therefore apparent that this year's pilot projects will not provide as wide a base of experimentation and experience as desirable for determining the nature and scope of any broad-scale relocation program.

This is why we have recommended extension of the pilot program, with additional flexibility in the financial aid for the workers to be relocated.

The extensive planning and other work in getting the initial projects underway, plus the first experience to flow from them, provide a solid base for carrying forward additional experimentation. With the basic planning done, it will also be possible to devote full attention to developing the additional projects which have been proposed but which the agencies involved have been reluctant to undertake in the absence of more specific guidance than has been feasible until now.

My last question is this: You can answer this or not, as you choose. I hope you will make a bid for at least coordinating and managing all the manpower activities, no matter who runs them, the Office of Economic Opportunity, or somebody else. I think it is very important. I see these programs getting into bits and pieces all over the lot. It is very important that whatever agency puts up the money, the fundamental manpower policy and expertise and relations of one program to another head into one office in the Federal Establishment instead of being scattered all over.

Senator CLARK. Before the Secretary answers, I would like to point out this is the major concern of recommendation No. 2 of the manpower report of last year. I discussed it at some length with the Secretary. We hope to be able to move forward, certainly on the administrative and possibly on the legislative end before we get much further along.

Senator JAVITS. As Senator Prouty has pointed out in another connection, this is also part of the minority report. I hope, Mr. Secretary, you will take us very, very seriously on that score. I really can see a lot of that famous gesture in a Department like you own: you say "Here is something the antipoverty people are doing, it seems to be duplicating what we are doing," and somebody in the Department will say, "We are sorry, 'it is not our pigeon.'"

That is the thing I think we want to get on top of in our manpower and training programs.

Secretary WIRTZ. I think I would like to only say thank you, with respect to that.

(Senator Javits requested answers to several additional written questions. Senator Javits' questions and Secretary Wirtz' answers follow:)

Question 1. In view of your Department's regulations applying the $10 additional training allowance provided by the 1963 amendments on the basis of dependency and duration of training, how does the Department propose to administer the additional $5 per dependent (above two and up to six) provided for by section 5(a)(1) of the pending bill, S. 974. Will the $10 be used regardless of dependency; or, if it remains tied to dependency, will it be in lieu of the $5 or in addition to it?

Answer. The Secretary has exercised his discretion under the act to authorize payment of the $10 extra weekly training allowance on the basis of the number of persons in a trainee's household and the length of time the trainee has been in training. Under the present regulations, if the trainee is a member of a household with three or more members, he is eligible to receive an extra $5 per week at the outset of training and an additional $5 per week after the first 4 weeks of training. If a trainee lives in a household with fewer than three members, he may receive no extra allowance during the first 10 weeks of training but, thereafter, he may receive an extra $10 a week.

The purpose of the proposed amendments is to permit persons with more than two dependents to receive additional financial assistance during the period of training. In general, it is contemplated that the extra $5 per dependent for each dependent over two would be in addition to the extra $10 presently permitted under the act. Thus, a trainee with three dependents could have his basic allowance increased by $15 per week. A trainee with six or more dependents could have his basic allowance increased by $30 per week, which would be the maximum increase permitted under the proposed amendment.

Question 2. There has been testimony that in some States, notably New York, an initial allocation of funds under the act has been made and then, very shortly thereafter, some part or all of the allocation has, without notice or consultation with the State, been reallocated from the State and placed into the national pool. Why has this occurred and is it the Department's intention to continue to use the reallocation authority in the act in this way in the future? Should there be a limitation on the date for reallocation of the allocated funds, such as, not before March 1 or April 1 of the fiscal year in question?

Answer. The same question was directed by Senator Clark to the Department during the course of testimony by New York State representatives. A copy of the Department's reply, as forwarded to Senator Clark, is attached and may be found at page 122 below.

Question 3. (a) Is it the normal practice for the Department and the States to give approval to projects simultaneously?

Answer. The present procedures provide for clearance of a project in the State before it is presented to a regional Federal review team. The interested parties within the State will prepare the necessary parts of the project which will be signed by the chief administrative officer of the appropriate State agency or agencies. This usually involves the State vocational education agency and State employment security agency. This material is then presented to a Federal review team consisting of a regional representative of the Bureau of Employment Security and of the Office of Education. These two individuals have approval authority for all projects and funding authority during periods when State allocations are operative. At certain times during the fiscal year when the program is operating from a national pool, the approval is handled by the regional review team and the funding takes place in the national office.

Question 3. (b) In order to expedite programs, would it be feasible to allow the States to approve the smaller and more routine projects (for example, under $100,000) in advance of future approval, with some reimbursement device if Federal approval is not subsequently given?

Answer. During the past year there have been no delays in the approval of projects as a result of the present procedures. There have been delays caused by uncertainties of funding. At the beginning of the fiscal year, there was a considerable delay in the appropriation action which caused many programs to be delayed in starting for as much as 2 months. Shortly after the appropriation by the Congress, a State allocation system went into effect and all single occupation programs were approved and funded in the field by a Federal review team. In the larger States this review process may take place as frequently as once a week or more often if the State requests it. Some delays were experienced in larger projects for disadvantaged youth and involving multiple occupations. Because of the very considerable amounts of money involved in such projects, funding action on these projects remained in the national office during the entire fiscal year.

We are very sensitive to the need for approval and funding as close to the source of the program as possible in order to cut down on timelag between program development and starting of the classes. We are presently developing procedures for management of the program in fiscal year 1966. Our overall objective is to further decentralize the approval and funding action within the program to the maximum extent possible and still assure a program which is consistent with the national objectives. We feel it may be quite possible to delegate approval and funding authority to the States in certain types of projects which do not involve large sums of money or unusual occupations.

Question 4. Why has there been a trend away from on-the-job training, which the Secretary has testified was expected to be the main focus of the act? How can this be remedied? What efforts has the Department made to make the business community aware of the on-the-job training program? Please attach copies of any printed material used specifically for this purpose.

Answer. Program emphasis is more and more toward on-the-job training rather than away from it. The results verify this focus. During fiscal year 1963, 107 Manpower Development and Training Act and on-the-job training projects were approved for 1,535 trainees; during fiscal year 1964, this increased to 723 projects for 10,137 trainees; so far this fiscal year until February 3, 1965, the number increased to 1,548 projects and 17,788 trainees. We have made significant gains during each year and we anticipate a continued and even greater increase during the next year. Our people who are developing the projects are now fully trained; we are using national organizations such as trade associations, State apprenticeship agencies, and others to help promote and develop on-the-job projects; we are getting increased support from the 1,900 State employment service offices throughout the country; and the employers, public and private organizations, unions, etc., have accepted the program and are giving support to it.

Furthermore, the Department of Labor is shifting its training emphasis from individual projects at the local level, to national projects training large numbers of people, particularly in the service industries. Specific examples of this type of training announced in the past 3 weeks by the President includes: (1) a contract with the American Hospital Association to train 4,000 jobless persons in nonlicensed subprofessional jobs in 300 hospitals, (2) 19 Manpower Development and Training Act projects to train 1,000 jobless persons in such occupations as nurse's aid, auto mechanic, appliance servicing, and drycleaning, and (3) a contract for on-the-job training of cash register servicemen in 15 cities.

Question 5. How can individuals be brought into the program more readily? Can the USES be encouraged to make more individual references to on-going training programs, with institutional or on-the-job, rather than relying solely upon group arrangements? What further legislation or regulation is necessary to bring this about? Would it be feasible to make a lump-sum allocation of funds to each State to permit such individual training?

Answer. The need for and desirability of individual referrals to existing public or private training was recognized early in the Manpower Development and Training Act program. The USES, in cooperation with the Division of Vocational Education, Department of Health, Education, and Welfare, developed a procedure for making individual referrals, under Manpower Development and Training Act auspices, to on-going training. The procedure was distributed to the States in February 1964. The States have been encouraged to make extensive use of this procedure, and so far, 29 States have received approval of applications for funds for individual referrals. Lump-sum allocation is the method used. In the original procedures, States were advised to estimate the funds they would need for individual referrals on a quarterly basis. This sum was to be requested in the same manner as funds for other Manpower Development and Training Act project proposals. Upon approval of the request, the State made individual referrals as needed without further Federal review. Later, the procedure was amended to permit States to request a lump-sum allocation for referral of individuals for an entire fiscal year. No further legislation appears necessary with respect to this activity.

Question 6. What is the Department's view of the Federal responsibility to retrain professional workers in scientific and engineering fields who are displaced as a result of defense cutbacks? Would it be appropriate to pay under the act the tuition, fees, books, and other college or university costs of the training of such displaced workers?

Answer. The act does not contemplate training individuals for fully professional degrees such as doctors and lawyers. However, where training is directly related to occupational needs or employment opportunities, particularly for bringing an already acquired professional skill in line with changing technology, or the needs of a particular employer, the law does not offer any difficulty since anything under the words "occupational training" as used in section 202(a) would be appropriate. Examples would be courses for teachers licensed in one State to qualify for teaching in another State, or updating or redirecting the skill of an engineer with a specialty which has become obsolete because of technological changes. Costs of training permissible under the act include such items as tuition, fees, books, and related expenses.

Question 7. To what extent are private training facilities used for institutional training programs? Has the Department found any obstacles to the use

of such facilities, particularly where private institutions are in a position to provide better training and without increased cost?

Answer. We have asked the Department of Health, Education, and Welfare for information on this subject and understand that over 8,000 trainees have or are now receiving training in 27 States through some 80 private schools. According to Health, Education, and Welfare the major factor limiting greater involvement of private schools and institutions is the absence in many States of a duly authorized accrediting agency to evaluate and accredit such schools. The Manpower Development and Training Act regulations of the Secretary of Health, Education, and Welfare stipulate that the institution designated by the State vocational agency must meet certain adequacy standards. Since recognized standards are not available to be applied to such schools and institutions by recognized accrediting agencies, the State boards in some States have difficulty certifying the adequacy of such schools.

Question 8. What amount and percentage of funds are being devoted in each fiscal year to experimental training programs and what are the existing plans for such programs for the future?

Answer. The contract obligation for experimental and demonstration projects was $2,922,778 in fiscal year 1963; $6,150,741 in fiscal year 1964; and $9,212,007 in fiscal year 1965 through the end of January 1965. These contract obligations amount to about 3.5 percent of the total Manpower Development and Training Act appropriations since the beginning of the program. We can foresee obligations of between 5 and 10 percent of the Manpower Development and Training Act appropriation on this experimental and demonstration activity in the next fiscal year. It is proposed that a new provision, section 2(b) of S. 974, be enacted to authorize these undertakings under title I of the Manpower Development and Training Act as a part of the manpower research function.

Up to the present time, these experimental training projects have been directly related to training individuals for specific occupations. Future experimental and demonstration projects will explore the interrelationship of training and job development, job placement, and job counseling services as provided by the State employment security system and other organizations interested in the development of job opportunities.

Senator CLARK. Thank you, Mr. Secretary. We have given you quite a grilling, it seems to me.

Secretary WIRTZ. Could I add one word, Mr. Chairman?

Senator Prouty did mention the pension funds and their relationship to mobility. I would like to call attention to the fact there has been a Cabinet report prepared on that.

Senator CLARK. Not only that. I hope before the end of the session to introduce some legislation in that regard. You may remember that last year we took a good deal of testimony from the people who were competent in the area from Sweden who explained to us how they handled that problem of pensions and labor mobility there. I think there are some lessons we could learn from the Scandinavian experience.

Secretary WIRTZ. You appreciate my comment is not in opposition to Senator Prouty's expressed opposition to this, but in support of it.

Senator CLARK. I would like to place in the record at this point a telegram received yesterday directed to me as chairman of the subcommittee from the Governor of South Carolina, Donald Russell, urging the committee to act favorably on the amendments to the Manpower Act, pointing out how valuable it had been in the State of South Carolina, to what a very extensive extent they have been utilizing it, and pointing out the inability of the State to continue to find the matching grants for the program.

(Telegram referred to follows:)

COLUMBIA, S.C., *February 8, 1965.*

Senator JOSEPH CLARK,
Subcommittee on Employment and Manpower,
Senate Labor Committee,
Washington, D.C.

DEAR SENATOR: Understand hearings on amendments to Manpower Development and Training Act will be held on February 9 and 10. Respectfully request the following statement be made a part of official public record:

South Carolina has made remarkable progress under the federally financed Manpower Development and Training Act in training that segment of our population who, through lack of education or opportunity, finds it impossible to earn a substantial livelihood.

Our State is in particular need of this program, because of its high birth rate, youthful population, unusually large farm population, and low per capita income. The programs initiated in South Carolina are training thousands of underprivileged citizens and have resulted in profound improvement in employability.

The program, which is proving highly valuable to our people, is an extremely useful tool in fighting poverty. It is meeting with proven success in our State and I trust, throughout the rest of the country. We would not like to see the program curtailed in any fashion in South Carolina. Yet, at the same time, we do not anticipate that we will have the significant sums of money necessary to meet matching funds requirements, scheduled to go into effect July 1, 1965, and continue the program full scale.

I believe it will be very helpful in the overall antipoverty efforts currently being fashioned, to have the Manpower Development and Training Act program continued in all States of the Union. Therefore, I respectfully urge that the Congress pass appropriate amendments, which will postpone the effective date of the matching funds provision of the Manpower Development and Training Act program.

The States are already having difficulty funding conventional educational programs and must have this extraordinary assistance in meeting the needs of our adult population until we cut down the reservoir of untrained and ill-educated people inherited from past generations.

Thank you for your consideration.

Sincerely,

DONALD RUSSELL,
Governor of South Carolina.

Senator CLARK. Now, Commissioner Keppel, if you would come back, and thank you for waiting.

I would ask you to comment on your recommendation for changing the matching basis to a 90-to-10 ratio.

Mr. KEPPEL. Once again, sir, the information that I have was in the large and in the main the same as the Secretary of Labor presented to you.

You will recall that Mr. Wirtz said that he and Secretary Celebrezze had joined in getting in touch with the Governors through a variety of means, and we therefore have what amounts to the same reports.

One fact I may have missed in the Secretary's remarks—it was not on the record, it might be emphasized. It is on page 18 of the prepared testimony, referring to the increase in State and local bonded indebtedness, and the increase in per capita State-local taxes during a period of time in contrast to the Federal record in that regard, I think is an additional reason to the reasons already given by the Secretary.

Senator CLARK. I think it is not without significance that the conference of southern Governors has called for a continued 100-percent funding by the Federal Government. That is the area of the country where States rights have been very much in the foreground, and to me it is quite encouraging that they are making substantial use of this program, as the telegram from the Governor of South Carolina just introduced for the record would indicate, and I would suspect when we come to get the opinions of the Governors, we will find substantial unanimity with the view that the program must be continued, but that they cannot finance it to a very substantial extent from their own resources.

I, for one, am very strong for a 10-percent contribution. I do not think a total giveaway program would work.

Mr. KEPPEL. Sir, HEW associates itself with the recommendations made by the Secretary with regard to the occupational training provisions under the Area Redevelopment Act.

Mr. Batt I believe will follow me, sir.

Senator CLARK. Yes; he will.

Mr. KEPPEL. He is better qualified than I to speak to that.

Senator CLARK. You think administratively this will work?

Mr. KEPPEL. Definitely, sir; I think it would simplify matters.

Senator CLARK. It is obviously better to have the training program under one agency than two.

Mr. KEPPEL. We believe it would.

Mr. Chairman, HEW associates itself with the change in the language of the act that is on page 2, if my memory serves me, section 102.6, in which I think the most relevant lines are lines 10 through 18, in which the Secretary of Labor shall, where appropriate, consult with the Secretaries of HEW and Commerce, and the Director of the Office of Economic Opportunity with regard to training programs that would come under the experimental development demonstration and project.

This I think would lend strength to the machinery for undertaking these training and experimental research programs which the Secretary of Labor pointed out were so necessary. We heartily agree with his position on that.

Senator CLARK. I note your comment that research experiment or demonstrations are indispensable adjuncts to an effective program of manpower training, which I imagine springs from the conviction that we do not have all the answers in this area yet at all.

Mr. KEPPEL. Very far from it, sir. In the Congress, making the major amendment that it did to the Vocational and Technical Act of a year and a half or 2 years ago, it reserved, you may recall, 10 percent of the funds of the States on a formula basis for R. & D. and experimental programs aimed particularly at that group.

I think the combined power of these two research development and experimental programs, when linked as suggested in the language proposed before you, sir, will make one of the major advances in a field which has been notably underresearched.

Senator CLARK. I am interested in the specific evidence of the demonstration programs which you have stated in your testimony, which indicated to me you are already on your way on this and you need more encouragement to continue it.

Mr. KEPPEL. In my testimony we brought particular attention to the survey from the University of Michigan, and second, the so-called jobs program in Chicago. There are, of course, others.

The Departments of Labor and HEW collaborated on what I think was a most interesting program in Norfolk—which I visited—which attempted to train men whose language abilities were almost nonexistent.

There are other examples we could give.

Senator CLARK. Thank you, sir.

I do not want to cut you off. Is there anything further you would like to say?

Mr. KEPPEL. No, sir.

Senator CLARK. Senator Prouty.

Senator PROUTY. Thank you, Mr. Chairman.

I think Mr. Keppel's statement is similar in comment to that made by the Secretary. I do note you state that the average planned length of current projects is 36 weeks.

Then there is support of the proposal to lengthen the program to 2 years, and you state that you are aware that the manpower development and training program is not yielding enough workers who are prepared for jobs in scientific and technical fields, and that are vital to our continued economic growth.

Can you give an estimate as to it, or a percentage basis of the number of people who would be involved in these programs, that is, those that would run for a duration of 2 years?

Mr. KEPPEL. I do not have that with me.

Senator PROUTY. Could you get that and supply it?

Mr. KEPPEL. Yes, sir, we will.

(The information requested follows:)

Estimate of the percent of trainees who would participate in Manpower Development and Training Act programs of 104 weeks duration:

Extending training allowances to 104 weeks would permit the inclusion of highly skilled and technical jobs in manpower training and also would allow persons with lower academic achievement to participate in skilled occupations training programs to a greater degree than is now possible.

It is estimated that 15 to 20 percent of the trainees will participate in the full 104 weeks of training.

Mr. KEPPEL. I think it might be useful for the sake of the record, Mr. Chairman, if you would permit one refinement on the statement made by the Secretary of Labor.

As I recall it, in his testimony he said that the average length of training was 26 weeks. I believe he was referring to the average number of weeks for which training allowances are paid. The 36-week figure which is used in my testimony refers to the average weeks of training provided in institutional training projects. Not all trainees receive allowances. Institutional programs have lengthened in design as new authority has been granted to provide more time for trainees who need a combination of basic education and occupational training.

Senator PROUTY. It should have been 32 weeks, I understand. The average is 32 now.

Mr. KEPPEL. It is my understanding, sir, that our estimate is 36 weeks.

Senator PROUTY. Could you give a list of the training programs which would be used in the scientific and technical fields? You men-

tioned electronics, mechanics, and the health field. Could you give the breakdown as to the specific programs you think would be included?

Mr. KEPPEL. Yes, sir. I gave an example or two, and we will provide a list. The list is perhaps longer. For example, engineering technician, photolithographer cameraman, computer programer, and similar technical or highly skilled jobs. We will provide a list for the committee.

Senator PROUTY. If you would supply the list for the record, that would be helpful. Thank you.

(The list requested follows:)

LIST OF TRAINING PROGRAMS

Examples of highly skilled and technical jobs for which Manpower Development Training Act training could be made available if training allowances could be paid for up to 104 weeks:

Data processing technician
Computer programer
Junior systems analyst
Engineering technician
Research and development technician
Architectural draftsman
Chemical technician
Metallurgical technician
Radiation and nuclear technician
Electronic technician
Broadcast technician
Radio communications technician
Instrumentation technician
Engineering systems technician
Structural draftsman
Civil draftsman
Air-conditioning technician
X-ray technician
Junior tax examiner
Medical secretary
Legal secretary
Technical secretary
Drafting technician
Surveyor
Dental hygienist
Agricultural engineering assistant
Nursery manager
Landscape designer
Forestry technician
Irrigation technician
Commercial artist
Industrial designer
Technical illustrator
Technical writer
Photolab technician
Photo-lithographer cameraman
Business manager trainee
Office manager
Industrial relations trainee
Junior accountant
Industrial supervisor
Traffic manager
Purchasing agent
Manufacturer's agent
Insurance claims adjuster
Real estate broker
Internal auditor
Petroleum technician

Senator CLARK. Thank you very much, Mr. Keppel. We appreciate having you with us.

Senator CLARK. Our last witness this morning is Mr. William L. Batt, Jr., the Administrator of the Area Redevelopment Administration.

Mr. Batt, will you come forward, please?

Senator PROUTY. Mr. Chairman, it is necessary for me to leave at this time. I have a luncheon engagement at 12:30. But I would like to have the privilege if I so desire to submit some questions to Mr. Batt.

Senator CLARK. Certainly.

Mr. Batt, we are happy to have you here.

I will ask that your prepared statement be printed in full in the record at this point, and then ask you to state for the record the points you would like to have emphasized, particularly your views about the consolidation of the retraining program of ARA with that of the Manpower Development and Training Act.

(The prepared statement of Mr. Batt follows:)

PREPARED STATEMENT OF WILLIAM L. BATT, JR., ADMINISTRATOR, AREA REDEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE

Mr. Chairman and members of the committee, I am glad to be here to testify on behalf of the Manpower Development and Training Act, and particularly that portion of it which deals with training in ARA areas.

The Nation's first direct and concerted attack on the problem of chronic unemployment and underemployment in economically-distressed areas was initiated through the Area Redevelopment Act in 1961. The act is designed to stimulate the expansion of job opportunities in designated areas through a program of financial and technical assistance and to directly assist the unemployed through training programs to overcome skill deficiencies which act as barriers to employment.

In the past 3½ years of Area Redevelopment Administration, the inclusion of training as part of the Area Redevelopment Administration operation has repeatedly demonstrated its usefulness in assisting communities attain economic recovery as my later fact and figure will indicate.

Very early in our operations we found that one of the important bottlenecks to economic recovery in the redevelopment areas was the absence of skills needed by many of the industries who would otherwise find these regions suitable for expansion. The problem is particularly severe where the remaining workers, often older than average, are principally agricultural workers, miners, or similar victims of displacement by industrial decline or automation.

A profile of the approximately 1 million of our unemployed, who reside in the 1,100 areas which have been designated during these years, indicate that among them are to be found: Large groups of older workers displaced by automation or other industrial change; long-term unemployed; the totally unskilled or those who possess only limited agricultural skills; the minority groups; the reservation Indians; some of the Nation's most economically and educationally deprived. These factors, and the isolation of these groups from the main stream of American economic and industrial life, made the correction problem of preparing these unemployed or underemployed to reenter the labor force a particularly severe one.

As I have already stated, the inclusion of training as a redevelopment tool was of great importance in the total economic redevelopment program. While the area Redevelopment Administration was developing and investigating the many proposals which lead to over 500 industrial loans and community loans and grants and over 400 technical assistance projects, the training programs approved approximately 890 projects covering about 40,000 trainees. Men and women were trained in approximately 200 skills with more than 70 percent of those completing training placed in gainful employment. Training programs were available to fill immediate skill shortages and to train for the new jobs being developed. Training programs produced concrete examples to communities that the hard-core, long-term unemployed could be successfully retrained for employment; their gainful employment added income to economically depressed areas; their transfer from welfare rolls to payrolls lifted burdens from communities, enabling them to participate in economic improvement. Equally important, these training programs gave the necessary assurances to prospective business firms that essential labor force could be produced in these areas coinciding with industry's needs.

The fact that 37 percent of the ARA trainees were from long-term unemployed; that 19 percent were of elementary school education or less; that 13 percent were older workers, is indicative of some of the special measures that were taken in the ARA program to benefit those particularly in need of training—the long-term unemployed, the undereducated, the totally unskilled, the migratory worker, the reservation Indian, agricultural workers, minority groups. While the administration of the training programs has been the primary responsibility of the Department of Labor and Health, Education, and Welfare, the Area Redevelopment Administration legitimately concerned with the economic improvement of the designated areas, played an active role cooperating with agencies of the Federal, State, and community levels and with business and civic groups to help produce the results described.

As yet only a beginning has been made. A great deal more obviously needs to be done if the long-deprived residents of the hard-core areas of our country are to be given the assistance they require to reenter the labor force and become

self-supporting citizens. An analysis of both the achievements and limitations of the ARA training program leads us to the following recommendations:

First: One of the important aspects of ARA training was its availability and flexibility so that it was a useful economic redevelopment tool: training could be planned, tailored, and timed in concert with measures undertaken to promote a community's economic growth. Training was, therefore, an important asset to communities working toward economic betterment as well as to some of the employers to whom the assurance of a trained labor force when needed was as, or more, important than loan benefits. While we have joined with the Department of Labor in the inclusion of ARA training in the general manpower act, we yet urge the identification of ARA training as a separate unit with a special appropriation so as to insure that these areas will get the extra assistance which they need to achieve economic health. A dynamic redevelopment program requires prior use of training funds in connection with new employment, new and expanding firms, those being assisted by ARA as well as those whose special need may lie in an improved labor force. We also urge that the provisions of this section be given consideration and retention; namely:

(*a*) One hundred percent financing, since these areas, nonproductive at present, require special assistance,

(*b*) Retention of the previous eligibility provisions so that all unemployed in designated areas are eligible for training and subsistence,

(*c*) That no allocation of the funds appropriated for this section be made to States in order to preserve the availability which has been proved an asset to economic redevelopment programs.

Second: The previous appropriation of $4½ million for instruction and 16 weeks limitation for subsistence have proved far too limiting in the quantity and quality of training which the designated areas require. Giving due consideration on the one hand to the needs of the unemployed or underemployed for greater skill training and basic education, and on the other hand to the necessity for placing people into jobs as soon as can efficiently be accomplished, we recommend that the section of the Manpower Development and Training Act which deals with the ARA training program, be enlarged to 36 weeks for skill training including basic education where needed.

Third: In order to develop the many special programs needed in the designated areas and to remove the handicaps under which the unemployed or underemployed suffer, we recommend an appropriation adequate to accommodate the longer training time and a substantial increase in the numbers to be trained.

Conclusion: ARA can, in all modesty, lay claim to its role as forerunner on the war on poverty, generating new jobs in the lagging areas of our economy. Occupational training under ARA, limited though it has been, has yet demonstrated that our hard-core unemployed, all too frequently abandoned as unemployables, can become productive workers, or as President Johnson so aptly put it, "taxpayers instead of tax eaters." With the usefulness of occupational training proven, the amendments, particularly as they refer to ARA, will enable ARA in close cooperation with the Departments of Labor and Health, Education, and Welfare, to integrate training into the larger economic redevelopment programs presently under consideration.

Senator CLARK. Perhaps you would like to introduce your associate, Mr. Batt.

STATEMENT OF WILLIAM L. BATT, ARA, ACCOMPANIED BY MILTON P. SHORE, OFFICE OF CHIEF COUNSEL, ARA

Mr. BATT. Yes, Mr. Milton Shore of our General Counsel's office, of ARA.

I would also like to suggest that some of the figures on the performance of ARA retraining, Mr. Chairman, be made available for the record.

Senator CLARK. Do you have them with you?

Mr. BATT. Yes; I will now submit them to you.

Senator CLARK. They will be placed in the record at this point.

(The figures referred to follow:)

FIGURES ON PERFORMANCE OF AREA REDEVELOPMENT ACT RETRAINING

FACT SHEET—AREA REDEVELOPMENT ACT TRAINING

	Number
Number of projects approved: [1]	
Total	892
Institutional	883
On-the-job training	8
Coupled [2]	1
Number of trainees in approved projects:	
Total	[1] 39,578
Institutional	39,366
On-the-job training	196
Coupled	16
Geographic dispersion of approved Area Redevelopment Act projects:	
Number of jurisdictions eligible under the Area Redevelopment Act	1,053
5(a) areas	145
5(b) areas	908
Number of jurisdictions with Area Redevelopment Act projects	[3] 180
5(a) areas	71
5(b) areas	109

6 States with the greatest number of authorized Area Redevelopment Act trainees:[3] Arkansas, Michigan, Ohio, Oklahoma, Pennsylvania, and West Virginia.

[1] As of Dec. 31, 1964.
[2] Combined on-the-job training and institutional.
[3] From July 1963 to June 30, 1964.

Distribution of trainees in approved projects by major occupational group

	Percent
Occupational groups in which training was approved:	
Total	100
Professional, semiprofessional, and technical	2
Clerical and sales	11
Service and trade	22
Agricultural and related activities	12
Production jobs	37
Construction, transportation, mining, and related activities	7
Mechanics and repairman	6
Miscellaneous activities	3

Costs of approved projects:	
Total funds committed for fiscal years 1962–65 (through December 1964)	[1] $23,372,673
Funds committed for training allowances	$11,940,957
Funds committed for training costs	[2] $10,654,942

Enrollments, completions, placements:[3]	Number	Percent
Enrolled	[4] 27,455	100
Dropouts	4,226	[4] 15
Completions	21,053	[4] 77
"Graduates"	21,053	100
"Graduates" awaiting placement	5,161	25
"Graduates" who were placed	15,892	75
"Graduates" placed	15,892	100
"Graduates" placed in training-related jobs	14,321	90
"Graduates" placed in nontraining related jobs	1,571	10

See footnotes at end of table.

Characteristics of trainees enrolled in Area Redevelopment Act training:	Percent
Total	100
Sex:	
Male	45
Female	55
Age:	
21 years and under	34
22 to 44	53
45 and over	13
Education:	
Completed 8th grade or less	19
9th to 11th	32
12th	44
More than 12th	5
Length of unemployment:[5]	
14 weeks or less	46
15 to 26 weeks	12
27 weeks or more	42

[1] Includes $776,774 for administrative cost.
[2] Covers instruction, building, purchase or rental of supplies and equipment, etc.
[3] As of June 30, 1964.
[4] Includes 2,176 still enrolled in training on June 30, 1964. Because of this, cumulative percentages for completions and dropouts will not equal 100 percent.
[5] Prior to enrollment in Area Redevelopment training.

Mr. BATT. The statement makes essentially these points: That the Area Redevelopment Act training has proved enormously successful, that it has helped encourage industry in the depressed areas. It is faster to start the employment process through training than anything else in the Area Redevelopment Act program, and we have been able to train in places where we are developing other programs more slowly, and even where nothing immediate could be undertaken.

There are some places where we have not yet succeeded in getting industry in, but we can train for service jobs, and we can train for jobs outside the immediate area.

Incidentally, there was reference made earlier to the testimony of the Governor of West Virginia. We have had more Area Redevelopment Act training in West Virginia than Manpower Development and Training Act, due, of course, in part, to the fact that the entire State of West Virginia is eligible under our act, and we had a year's head start, I suppose, on the Manpower Development Training Act.

Mr. Chairman, one other point that was perhaps not made perfectly clear, in this question of putting the Area Redevelopment Act training in with the Manpower Development and Training Act, it is now administered by the Labor Department and by HEW, just as the Manpower Development and Training Act is, as you know, but many of the members may not, and the Labor Department goes up for the appropriations and administers the training. We have had a consultative relationship, and worked very closely with them.

Senator CLARK. That you would retain?

Mr. BATT. That we would retain under the proposals, and would now participate jointly in formulating the regulations for carrying out the training programs.

The primary purpose is to carry out, as I can see it, listening to the testimony this morning, the desire of the committee that the responsibility of the Department of Labor be made even more explicit, and that the whole thing come before your committee, rather than before the Banking and Currency Committee.

Senator CLARK. Actually, what we are doing is putting through a technical and legal consolidation, rather than changing any particular operating procedures, are we not?

Mr. BATT. That is right.

There have been some delimiting factors which have made it difficult to make the Area Redevelopment Act retraining as effective as we want to. Again, it was passed by Congress in 1961, and you were one of the cosponsors of it, and it was a very modest beginning effort, but I would like to point out for the record that we have had nearly 900 projects, and that we have had nearly 40,000 trainees, who have either completed their training or are in training, or are in approved projects ready to begin training.

They are in some 200 skills, and their placement records have been running better than 70 percent, with a pretty fair distribution up among the older workers, the coal miners you spoke of in Pennsylvania, and the iron miners of the Upper Peninsula of Michigan.

Senator CLARK. Maybe you better give to us for the record a few of the categories in which you have done this training, the kinds of jobs you trained for.

Mr. BATT. Fine. We will provide that for the record.

(The information referred to follows:)

AREA REDEVELOPMENT ACT

TRAINING

As I stated previously, the Area Redevelopment Act training has been conducted in over 200 skills.

In the agricultural field, for example, training has developed farm-machinery operators, arborists, irrigators, and nurserymen.

In the clerical field, there has been training in accounting clerks, clerk-typists, key-punch operators, sales people, tabulating-machine operators; refresher courses for stenographers have also been held.

In the construction field, painters, plasterers, and heavy-equipment operators are among a few which have been trained.

We have also had training of electronic asesmblers, solderers, cablemakers, and coil assemblers.

In the lumber industry and related manufacturing, which have taken place in some of our most distressed areas, training has enabled many long-term unemployed to get jobs as lumber graders, woodworking millmen, logging equipment repairmen, sawmill operators, and particleboard men.

In the health field, there has been Area Redevelopment Act training programs for psychiatric aids, nurses aids, orderlies, and home attendants.

As we had previously mentioned, about 21 percent of our training has been in the service field. We have trained cooks, drycleaners, service-station attendants, waiters, waitresses, food-service workers, appliance repairmen, maintenancemen, refrigeration mechanics, TV and radio servicemen, and typewriter servicemen.

There has been considerable training for industrial work, many for the plants which the Area Redevelopment Act helped finance. For example, aluminum sash-and-door maker, tool-and-gage inspector, machine operators, riverter, sheetmetal fabricating machine operator, welders, mechanical assembler, chemical operator, forklift operator, and job setters-coiling machines.

While these are only a few of the many occupations, they do give an indication of the extent of these Area Redevelopment Act training programs.

Mr. BATT. I would like to point out not just the quantitative figures which I will provide for the record but some feeling of the qualitative content of this training, Mr. Chairman.

I have added up this morning the number of training programs I have visited and it comes to about 15 from New Bedford, Mass., to Laredo, Tex., and the types of the training is variegated.

We are retraining, in New Bedford, for machinists; in Laredo, we are retraining former migrant workers.

In West Virginia, we are retraining former coal miners to be workers in the FMC Corp. plant there, making personnel transporters for the Army, and doing skilled work in all of the metalworking trades in connection with that. In fact, that is the biggest training program in West Virginia.

These have been universally successful every place they have been tried and it is one of the most exciting kinds of programs I think the Federal Government has, with universal enthusiasm on the part of the trainees all the way up to the Governors of the States involved.

I do want to emphasize the point on pages 4 and 5 of my testimony that while a case can be made, and a good one, to include Area Redevelopment Act training in the Manpower Development and Training Act bill, we feel an equally good case can be made to maintain a separate identity, Mr. Chairman.

Senator CLARK. I see you want a hundred percent financing as opposed to 90:10, is that correct?

Mr. BATT. Yes; this is one of the things we are most anxious to try to maintain separate identity for, because these areas of these States are the hardest-hit areas, and there is a national tendency, due to pressure to get high placements, to concentrate training in the big cities and in the propserous areas. In our State of Pennsylvania, for example, there is a tendency to do most of the training in Lancaster or Philadelphia, or some sections of the State where you can make a better placement record, and a tendency to avoid doing the training in Johnstown or in the areas of the State where placement is most difficult.

The beauty of the separate identity is that these Area Redevelopment Act funds can only be used in the areas eligible under the act and, it is my feeling, having worked with all the States, and it is most important that we maintain this identity for this purpose.

Then, too, we are interested in keeping the connection between this Area Redevelopment Act training and plants which we are trying to locate or expand in these depressed areas.

We would also like to be able to call on Area Redevelopment Act training funds to train 500 workers for a plant in east Kentucky, let us say, even though the allocations otherwise made to the State may have been used up, and that is why we ask for this independence from the Manpower Development and Training Act allocation formula.

Senator CLARK. You want to knock the 16-week limitation out; do you not?

Mr. BATT. Yes, sir, and we also want to knock out—although we should make the point on time that we will not go, we do not feel, to the very long training in the Area Redevelopment Act training programs.

In the Area Redevelopment Act areas, we are concerned primarily with a shorter length of training so that people can get to work more quickly. The men we are training, by and large, are training while the plant is being built. So we are not looking so much for the very long-term training.

Senator CLARK. Generally speaking, your retraining under the Area Redevelopment Act is intended to provide skilled employees for plants you have been able to bring into the area?

Mr. BATT. That is right; or for plants we have been able to encourage to expand within the area.

Senator CLARK. If it should develop in the committee, and I do not know whether it will or not, that they are willing to raise the 16 weeks, but not to give you unlimited ceiling, how low could it go and be satisfactory to you?

Mr. BATT. We think 36 weeks, including, Mr. Chairman, the basic half a year, 26 weeks, with a potential of 10 weeks additional for literacy training, so the maximum of 36 weeks, we think, would be perfectly adequate for our purposes.

The only other thing we would want to remove is the present $4½ million limitation on the funds that can be used for the training costs themselves and the $10 million ceiling on the funds that can be used for benefits for training allowances, which are not in balance.

We have always run out of the $4½ million and have never been able to use the $10 million, so we want to be able to "take down that fence."

Senator CLARK. Would $14½ million be enough, in a lump?

Mr. BATT. No, in the President's budget this year, there was a figure of $20 million. We are afraid to limit it to $14 million because we are extending the duration. If you extend the duration and not the amount, you are going to be able to reach the same number of people. We want to be able to reach, hopefully, more people than we have been able to reach so far.

Senator CLARK. But you are content with the budget figure?

Mr. BATT. We would like to see it higher but we think it is a good place to start from and we are living with it.

Senator CLARK. But your lips are sealed.

Mr. BATT. The other point is that we think——

Senator CLARK. How much money could you use effectively, Mr. Batt?

Mr. BATT. We estimate we could use effectively $50 million.

Senator CLARK. That is combined training allowance and expenses of setting up the courses?

Mr. BATT. Yes, everything.

Senator CLARK. Did you have to curtail your training programs during the last fiscal year because of the limitation of funds?

Mr. BATT. Yes, certainly we could have reached substantially more people. Where possible, we attempted to switch the training to Manpower Development and Training Act, but then Manpower Development and Training Act ran out of funds.

Senator CLARK. In other words, the demand for this training service is substantially in excess of your ability to take care of it?

Mr. BATT. I do not think we have begun to reach, that the Federal Government has begun to reach, either the supply or the demand for training services, particularly in view of the fact that the primary mission is left up to the local office of the employment service, and the vocational people, and in many areas they have not done an effective job of generating the programs that could be used by the chronically unemployed in that area.

Senator CLARK. Is there not still a feeling among many of the States, the bureaus of employment security—that their job is to sit and wait until somebody comes in and asks them to find a job, rather than to take the initiative and go out and do something about the unemployment in their area?

Mr. BATT. I am a great admirer of the bureau of employment security but I think it is safe to say the promotion of a novel idea is not their soup.

Senator CLARK. You administered the employment security in Pennsylvania?

Mr. BATT. Yes, sir.

Senator CLARK. This was your experience in our Commonwealth?

Mr. BATT. In our Commonwealth, and I suppose when you give any group of human beings the job of promotion of a new and novel program through untried channels, some of them will pick it up, and some be dead set against it, even though the need among their people may be very acute.

Then, too, very often even in your city of Philadelphia, Mr. Chairman, there were initially problems in getting the vocational education people who felt that their primary mission in life was providing vocational skills to young people, and it was necessary to persuade them to convert a substantial amount of effort and facilities to the retraining of older workers whom they felt were no part of their responsibility.

These attitudes, as Mr. Keppel pointed out in his testimony, I think, are changing, but this is a slow process.

Senator CLARK. Are you familiar with the record made by this subcommittee last year entitled "Toward Full Employment"?

Mr. BATT. I am familiar with it.

Senator CLARK. I am going to call your attention to Recommendations 18 through 21, inclusive, which deal with the Employment Service, and ask you to supply this subcommittee with your views on any of those recommendations, and any others you may care to make.

Mr. BATT. I will be happy to do so, Mr. Chairman.

(The information requested follows:)

MR. BATT'S COMMENTS ON THE RECOMMENDATIONS NO. 18 THROUGH NO. 21

Mr. Chairman, on rereading sections 18 through 21, I am glad to give you my views as you requested on the recommendations of the Subcommittee on Employment and Manpower. In general, I find myself in accord with all four recommendations.

Point 18 is a constructive suggestion. Well-trained employment counselors assigned to help motivate and guide the unemployed to training and employment would enable many cities to more effectively cope with the problems of the hard-core unemployed. In Detroit, for example, where the need for such counselors became evident, Area Redevelopment Act training programs have helped to fill the immediate gap by training subprofessionals in a category called counselor aids; they work under supervision, to guide and counsel the hard-core unemployed. By all reports they have been extremely helpful and this has been a very successful program. Accordingly, development of some program designed to provide additional counselors in all areas would be helpful.

Point 19 would help expand training and placements. With more listings coming in to the employment service offices, these agencies would be able to initiate the training programs more readily, thus leading to more placements of these unemployed who need help to reenter the labor force.

Point 20. During the last decade and particularly the last few years, this country has seen a very considerable increase in labor mobility. Many arguments have been advanced that mobility needs to be encouraged. Others have voiced objections pointing to many problems that large-scale mobility engenders. Certainly a full discussion of this question is essential and a report such as you request from the Secretary of Labor could serve the constructive purpose of gathering together in one document the pertinent data needed to help direct discussion and consideration of the complex issues involved. As you know, extension of the pilot labor mobility program has been proposed in the amendments to the Manpower Development and Training Act, now pending in Congress; we would support a broad-scale program along these lines should the results of this pilot indicate this to be feasible.

Point 21. I believe the establishment of such a center to be most worthwhile; I can see many uses that such a central data processing would have and I endorse it.

Mr. BATT. Just before closing, I would like to point out that the new section that the President has announced recently on job opportunities for the employment for the unemployed in service industries is something where Area Redevelopment Act has been quite active, and the Department of Commerce has responsibility in these provisions.

We find that 21 percent of all Area Redevelopment Act training to date has been in the service occupations, and we have some rather exciting technical assistance projects now underway in Philadelphia, and about 20 other cities, and regions, helping small businesses develop job openings and job opportunities.

Senator CLARK. Have you made any dent at all in the subject which came up earlier this morning, the domestic service job opportunity?

Mr. BATT. I did not hear the discussion this morning, but I would say no.

Senator CLARK. Well, Senator Prouty in particular took the position, I think I am correctly stating his position, that there were literally tens of thousands of individuals in lower income groups who were perfectly competent to fill tens of thousands of vacancies in domestic service who would not take the job. Senator Prouty felt they were too lazy and just disinterested.

Secretary Wirtz had a somewhat different point of view. He felt there were two problems. First, you have to train many of these relatively uneducated people into the niceties of going into somebody's home and keeping it neat and clean, and even, as he said, what you can put in a disposal, what you cannot, learning how to cook.

And he thought it would take a training period of perhaps up to 12 weeks to qualify an individual for domestic service, but more than that, there was a psychological barrier in that this is considered a demeaning occupation, and even the unemployed are not interested in filling this kind of job opportunity.

I wonder what your experience with this problem is.

Mr. BATT. I think that virtually no training has been done under the Area Redevelopment Act, or to my knowledge under the Manpower Development and Training Act, for domestic service. The only experience I am familiar with is the rather ambitious program the State employment service in Michigan got underway. Mr. Horton, who organized that, ought to be heard from.

In Detroit, they did a very ambitious job for training for domestic service under a training program.

Senator CLARK. Do you have any information whether that program has met with success?

Mr. BATT. They had great success.

Senator CLARK. Do you have anything else you wish to add?

Mr. BATT. No, sir.

Senator CLARK. Thank you very much, Mr. Batt. We appreciate your coming up here.

The hearings of the subcommittee will be in recess until tomorrow morning at 10 o'clock.

(Whereupon, the subcommittee recessed, to reconvene at 10 a.m., Wednesday, February 10, 1965.)

AMENDING THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

WEDNESDAY, FEBRUARY 10, 1965

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 4200, New Senate Office Building, Senator Joseph S. Clark (chairman of the subcommittee) presiding.

Present: Senators Clark and Nelson.

Committee staff members present: Stewart E. McClure, chief clerk; William C. Smith, counsel to the subcommittee; and Stephen Kurzman, minority counsel.

Senator CLARK. The subcommittee will be in session.

Our first witnesses this morning are a panel consisting of Dr. M. D. Mobley, executive secretary of the American Vocational Association; Dr. Byrl R. Shoemaker, State director of vocational education, Columbus, Ohio; and Philip W. Seagren, director of vocational and adult education, Miami, Fla.

On behalf of the subcommittee, gentlemen, I am most happy to welcome you here this morning, because I am sure you represent a combination of expertise on these amendments to the Manpower Act which will be of great help to the subcommittee.

I notice that Dr. Shoemaker and Mr. Seagren have statements of varying lengths, and I will ask that they both be printed in full in the record, Dr. Shoemaker's, at this point.

(The prepared statement of Dr. Shoemaker follows:)

PREPARED STATEMENT BY BYRL R. SHOEMAKER

Mr. Chairman and members of the subcommittee, I am Byrl R. Shoemaker, president of the American Vocational Association and director of vocational education in Ohio. I am pleased to appear before your subcommittee in support of S. 974.

The vocational programs established in the various States as a result of the Smith-Hughes Act and subsequent Federal vocational education acts have always been concerned with the upgrading training of employed workers and retraining of the unemployed. The war production training program during World War II and the veterans training program after the war are two of the outstanding efforts made by vocational educators in the retraining of adult workers during periods of national emergency.

The American Vocational Association, representing the 35,000 vocational educators throughout the Nation, has always supported legislation providing for vocational training or retraining programs to serve the youth and adults in our

Nation. The first legislation introduced into Congress calling for increased funds for retraining of the unemployed was written, in part, in the AVA office.

While vocational educators have protested some of the administrative regulations that were established after the passage of the Manpower Development and Training Act, Public Law 87–415, they worked for the passage of the act and believe the major provisions of the act as passed by Congress are sound. Since the passage of the act, vocational educators throughout the Nation have worked diligently to implement the sections of the act providing for institutional training of the unemployed and have steadily increased the numbers served, the scope of the program offered, and the different types of people served. It is significant that the institutional training phase of the program has proven to be the most productive part of the act in terms of service to people, accounting for about 85 percent of all persons authorized to receive training.

A study of reports by the Departments of Labor and Health, Education, and Welfare indicate the following trends in enrollment in the institutional phases of the act:[1]

	1963	*1964*
Enrolled	32,500	65,400
Completed	9,118	35,507

A more detailed analysis of the progress of the manpower development and training programs in my own State of Ohio is as follows:

Ohio—Manpower development and training program development

	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965 [1]
1. Number of projects	81	96	84
2. Number of trainees approved	2,232	4,919	5,092
3. Instructional costs	$890,245.00	$3,390,952.00	$2,876,351.00
4. State educational administration	$33,864.00	$40,303.00	[2] $54.724.00
5. Total costs (including BUC Administration and allowances)	$2,735,801.00	$5,771,975.00	$7,174,721.00
6. Average instructional cost per student hour	$.67	$.86	$.78

[1] As of Jan. 31, 1965.
[2] Budget for fiscal year.

Ohio's position nationwide:

1. Fiscal year 1963:
   - First in communities served, 37.
   - Third in number of approved projects.
   - Eighth in number of trainees.
   - Tenth in amount of training funds committed.
2. Fiscal year 1964:
   - First in communities served, 35.
   - Fourth in number of approved projects.
   - Sixth in number of trainees.
   - Seventh in amount of training funds committed.

The States have begun to show creative ability in providing programs under the Manpower Development and Training Act. Using Ohio as an example, let me illustrate some of the rather unique programs developed under the act. As programs developed in the State we found that none could be provided in southeastern Ohio due to the lack of vocational education facilities in that section of the State. With the assistance of a local board of education an available State building, a benevolent industry, a cooperative community and funds under the Manpower Development and Training Act, a center was established to provide retraining to adults and to disadvantaged youth. Facilities were established for training 420 at one time and housing was identified in the community. The following program was the result, enrolling youth and adults from all parts of southern Ohio.

[1] "Manpower Evaluation Report No. 4: Comparison of 1963 and 1964," U.S. Department of Labor, Office of Manpower, Automation, and Training.

Southern Ohio Manpower Training Center, Jackson, Ohio

Project No.	*Occupations*
238–1	Clerk-steno.
238–2	Clerk-typist.
238–3	Bookkeeper II.
238–4	Routeman.
238–5	Machine tool operator.
238–6	Auto mechanic.
238–7	Auto service station mechanic.
238–8	Draftsman.
238–9	Welder, combination.
238–10	Auto body repairman.
238–11	Custodian.
238–12	Cook, combination.
238–13	Nurse aid.
238–14	Groundskeeper.
238–15	Farm mechanic.
251	Clerk-steno.
252	Clerk-typist.
253	Bookkeeper II.
254	Routeman.
255	Machine tool operator.
256	Draftsman.
257	Welder, combination.
258	Auto body repairman.
259	Custodian.
260	Cook, combination.
261	Groundskeeper.
262	Farm mechanic.
263	Home assistant.
(R)5002	Farm business management and analysis.
(R)5034	Maintenance man, building.
(R)5049	Welder, combination.
(R)5051	Electrical appliance serviceman.
(R)5052	Machine tool operator.
(R)5057	Clerk-typist.
(R)5058	Bookkeeper II.
(R)5059	Clerk-steno.
(R)5060	Groundskeeper.
(R)5067	Welder, combination.
(R)5068	Auto service station mechanic.
(R)5069	Salesman, general.[1]
(R)5081	Cook, combination.
(R)5088	Auto body and fender repairman.
(R)5089	Auto mechanic.
(R)5090	Draftsman, mechanical.
(R)5091	Farm mechanic.
(R)5112	Electrical appliance repairman.[1]
(R)5113	Cook, combination.
(R)5114	Maintenance man, building.

Total number of projects	33 (includes 1 15 occupational youth project).
Total number of different occupations	20.
Total number of trainees approved	1,466.
Total educational funds committed	$442,419.

[1] Proposed programs not developed.

A number of the projects are providing remedial or basic education in addition to the vocational training. However, the majority of the projects are designed to provide only vocational training with related classroom instruction.

On the basis of the number of disadvantaged youth, particularly in the larger urban areas, who were out of work, out of school, and in need of remedial education, social development and job skills, a residential center has been established in Ohio at the Vienna Air Force Base. This center was established through the cooperation of the Ohio Youth Commission, the Ohio State Employment Service, the Division of Vocational Education of the State Department of Education, and a nonprofit educational organization (Mahoning Valley Vocational School), and with funds from the Manpower Development and Training Act (remodeling, instructional equipment, and instruction subsistence) and a private donor ($250,000 for the equipment, remodeling, and staffing of the residence halls). The program for this center with facilities established for 445 youth between the ages of 17 and 22, is as follows:

Manpower Development and Training Project (Ohio—286–1 through 19)—Occupational Training for Disadvantaged Youth, Mahoning Valley Vocational School, Box 728, Vienna, Ohio

Course information: On July 29, 1964, 445 trainees entered training at the site of the Youngstown Air Force Base. The first phase of the training project for all trainees was to be a period of 250 huors, at 40 hours per week, which would include testing, counseling, orientation, and vocational exploratory experiences.

Upon completion of the first phase the trainees are scheduled into 1 of the 18 different vocational training offerings. The school's selection of the training area for each student will be based upon an extensive testing program; interest and aptitudes of the student; and the expected level of achievement by each student. Each student will receive daily, a combination of vocational training and remedial (basic) education totaling 8 hours except the 20 students being trained as automobile mechanics which will receive 8 hours of vocational training. Additional sections of 8 areas (totaling 195 trainees) are to be conducted when the first sections are completed.

2.1 Phase I—Orientation, testing, counseling, and vocational exploratory experiences (as originally proposed):

250 hours per trainee, 445 trainees.
100 hours per trainee (exploratory not included), 195 trainees.

Hours of instruction were revised (as indicated on attachment A) when a more realistic determination could be made by the staff.

2.2 Phase II—Remedial (basic) education (as originally proposed):

640 trainees.
210 trainees, at 750 hours of instruction.
150 trainees, at 500 hours of instruction.
260 trainees, at 250 hours of instruction.
20 trainees with no remedial education beyond phase I.

Hours of instruction were revised (as indicated on attachment A) when a more realistic determination could be made by the staff.

Trainees in the remedial (basic) education classes will receive instruction in the following areas:

1. Reading.
2. English.
3. Spelling.
4. Writing.
5. Arithmetic.

The progress made by each individual will depend to a great extent on his present level of education, his aptitudes, and his personal motivation.

2.3 Supplemental materials—Course outlines and equipment lists enclosed with individual projects.

2.4 Form OE–4000—"Budget requested form."

Guidance salaries are included in category 1–A "Instructional salaries" because they were originally approved in that category and accounting procedures have been set up at both the State and local level according to the original pro-

posal. However, on the justification sheet for each project the instructional salaries and guidance salaries are broken down to indicate estimated costs.

[Attachment A]

Project No.	Occupation	Number of trainees	Number of trainee sections	Training cost hours	C.H. bk. dn. phase I	Phase vocation 2		Approximate length of course (in weeks)
286-1	Electrical appliance repairman	20	1	1,144	184	480	480	28
286-1A	do	25	1	824	(1)	309	515	21
286-2	Auto body repair	20	1	1,944	184	220	1540	48
286-3	Auto mechanic	20	1	1,944	184	0	1760	48
286-4	Auto service station mechanic	20	1	1,239	184	648	407	31
286-4A	do	25	1	704	(1)	264	440	18
286-5	Baker	20	1	1,154	184	575	395	29
286-5A	do	20	1	664	(1)	332	332	17
286-6	Accounting clerk	20	1	1,164	184	250	730	29
286-7	General office clerk	25	1	1,164	184	250	730	29
286-8	Cook, combination	20	1	1,044	184	230	630	26
286-8A	do	25	1	1,080	(1)	405	675	27
286-9	Custodian	20	1	1,184	184	750	250	29
286-9A	do	25	1	592	(1)	296	296	15
286-10	Draftsman	25	1	1,322	184	448	690	32
286-11	Tabulating machine operator.	20	1	1,822	184	252	1386	46
286-12	Food service worker	20	1	1,081	184	667	230	27
286-12A	do	25	1	592	(1)	296	296	15
286-13	Groundskeeper	20	1	1,544	184	748	612	38
286-14	Building maintenance man	45	2	1,594	184	510	900	39
286-15	Machine operator	40	2	1,464	184	256	1024	36
286-16	Routeman	25	1	646	184	252	210	16
286-16A	do	25	1	482	20	252	210	12
286-18	Stock clerk	25	1	1,237	184	756	297	31
286-18A	do	25	1	576	(1)	288	288	15
286-19	Welder, combination	40	2	1,549	184	700	665	39
	Total	640	29					

[1] Phase I included in phase II.

Also, recognizing the quantity of the youth problem in the large cities, large youth projects have been established in three cities as indicated below.

OTHER MANPOWER DEVELOPMENT AND TRAINING ACT YOUTH PROJECTS

1. Cincinnati—Project No. (YM) 5025-001-015:
   15 occupational areas.
   600 trainees approved.
   $370,393, estimated training costs.
   $763,713, estimated total cost.
   Offering a three-phase program:
   1. Orientation and counseling.
   2. Remedial or basic education.
   3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

2. Cleveland—Project No. (YM) 5093-001-010:
   10 occupational areas.
   490 trainees approved.
   $211,999, estimated training costs.
   $628,099, estimated total costs.
   Offering a three-phase program:
   1. Orientation and counseling.
   2. Remedial or basic education.
   3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

3. Toledo—Project No. (YM) 5024–001–014:
   14 occupational areas.
   576 trainees approved.
   $360,888, estimated training costs.
   $787,283, estimated total costs.
   Offering a three-phase program:
   1. Orientation and counseling.
   2. Remedial or basic education.
   3. Vocational training.

Programs to start on staggered schedule as soon as facilities, equipment, and trainees are available.

It is important for the committee to know, however, that more unemployed out-of-school youth and adults still are served by the training programs assisted by Federal funds under the Smith-Hughes and George-Barden Acts than by the Manpower Development and Training Act. The enrollment of out-of-school youth and adults in practical nursing (George-Barden II), technical education (George-Barden III), and type C preparatory (George-Barden I) for the 2 years reported previously for the manpower program areas follows:

	1963	1964
Practical nursing	53,957	60,626
Post-high-school technical education	63,184,595	221,363
Type C (preparatory)	53,386	[1] 55
Total	291,938	336,989

[1] Preliminary estimate.

The people in public vocational education throughout the Nation have proven that they can, through existing State, Federal, and local relationships in vocational education, organize and administer a sound retraining program (as evidenced by the percentage of successful placements by the State employment services). They have shown the ability to work cooperatively with the State employment services and other units of State and local government and to work creatively to establish new methods of the procedures. An examination of the Manpower Development and Training program development to date would indicate that its future success would be dependent upon the further development and improvement of the institutional plan of the program, which is the responsibility of public vocational education on the State and local level.

The States face some problems in the further expansion of Manpower Development and Training programs to serve youth and adults. Some of the major problems are as follows:

1. At the present time the law plans a limit on the percentage of the persons under 22 years of age enrolled in the program that may receive subsistence. As the programs progress an increasing percentage of the students will be in the 17 through 21 category.

2. The Manpower Development and Training Act has been a temporary act, which discourages long-range planning for staff, curriculum, equipment, and facilities. It is becoming obvious that well-equipped Manpower Development and Training centers are needed in our larger cities, in addition to existing vocational facilities, if the act is going to be continued. Also Manpower Development and Training centers are needed for several purposes (i.e., parollees from institutions) and for sparsely populated areas.

3. Matching provisions of the act provide for State or local matching of one-third of the cost of Manpower Development and Training programs after July 1, 1965. The Finance Department of the State of Ohio indicates that the required one-third matching money is not included in the Governor's budget because of the Federal nature and controls of the Manpower Development and Training Act, and the fact that payment of additional State moneys for subsistence to the unemployed would be a major departure from State policies. At the recent American Vocational Association convention in December 1964, the State directors of vocational education were asked how many of their States had voted

money to match the Manpower Development and Training Act money, starting July 1965. Only two or three States indicated they had already voted money. The State directors then were asked for an opinion as to how many States would be able to vote the matching money. Only six or seven States indicated that they thought their State would vote the necessary matching money.

Recognizing the importance of the continuance of the Manpower Development and Training programs to serve unemployed youth and adults the house of delegates of American Vocational Association passed without a dissenting vote, the following resolution:

Policy Resolution To Continue Nonmatching Provisions of the Manpower Development and Training Act

"Whereas the overall contributions made to date by the training and retraining provisions of the Manpower Development and Training Act have been measurably significant; and

"Whereas the purposes of the Manpower Development and Training Act continue to be of crucial importance in the maintenance of stability in the total work force and the total economy; and

"Whereas the possibility and appropriateness of Federal financing of training and retraining for the hard-core unemployed have been fully demonstrated; and

"Whereas any requirement for invoking one-third matching by the States after June 30, 1965, is certain to seriously curtail such training and retraining; and

"Whereas because of the mobility of labor and the movement of the unemployed among the States, the matter of training and retraining is a national responsibility requiring 100 percent Federal financing; and

"Whereas several parts of the Manpower Development and Training Act automatically provide for the continuation of 100 percent Federal funding; and

"Whereas requiring State matching for institutional-type training and retraining alone would comprise a gross inequity; and

"Whereas the States are already making a significant financial contribution, in kind, through facilities, personnel, and other resources; and

"Whereas there is an inherent and exceedingly dangerous element that restatement funds accruing from unmatched allotments can be returned to the States for purposes which can bypass recognized State education authority: Therefore be it

"*Resolved*, That the house of delegates of the American Vocational Association respectfully urges the Congress to continue all the nonmatching provisions of the Manpower Development and Training Act."

This resolution enables the American Vocational Association to lend full support for all but one of the provisions of the bill under consideration effecting the institutional training and to ask for a modification of one of the provisions, the matching provision.

The American Vocational Association supports without reservation the following features of the bill:

1. The removal of the June 30, 1966, termination date.
2. The extension of the period of training allowance support from 1 to 2 years.
3. The change which permits single persons without dependents to receive training allowances.
4. The increased training allowance for dependents.
5. The revision of the limitation on the number of youth who may receive training allowances, which will enable the Secretary of Labor to make such adjustments as administrative necessity may require.
6. The payment of transportation allowances for daily commuting.
7. The provision that costs of training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year. Also the provision which permits the non-Federal contribution to be based upon the matching requirements in existence at the time the training program is approved.
8. The changes which authorize special funds for training programs in areas designated as redevelopment areas under the Area Redevelopment Act and the elimination of separate funds for training in the Area Redevelopment Act.

The American Vocational Association would agree that the provision for matching on a 90–10 basis included in the bill is much more possible of attainment than the requirement of one-third State or local matching but request that full funding of all manpower programs be continued for the following reasons:

1. For a period of time when a Federal education measure is pending based upon the needs to improve educational programs in the States it does not seem reasonable to change from full funding of the manpower development and training programs since such a change will draw money away from the present educational programs in the States.

2. The States look upon the manpower development and training programs as federally controlled, due to the requirement of direct Federal approval of each manpower development and training project rather than State-controlled programs as established under the Vocational Education Act of 1963 and other vocational acts.

3. States are being asked to provide matching money for the Vocational Education Act of 1963.

4. The act makes no provisions for requiring matching on any part of the manpower development and training programs except the institutional programs operated in cooperation with public vocational education. No matching is required for the on-the-job phase of the training. The continuance of the no matching provision for on-the-job training and insistance upon matching of the institutional training could lead to the direct operation of vocational education programs in the States by the Federal Government.

5. Since there is almost no chance for in-kind matching of subsistence, this would throw an in-kind matching on the educational phase of 25 to 30 percent, since the subsistence costs are 1½ to twice as great as the educational costs. There would not likely be enough in-kind matching money available in the educational phases in each project to cover such a percentage. Each State, therefore, would have to provide money by budget allotment or require the local area to provide the cash dollars needed.

6. In most instances, students are enrolled without regard for residence. School districts, therefore, are not likely to put up money for a program which is not limited to students from their own school district.

7. Under a 90–10 matching provision there would be few if any contracts with private educational organizations since States are not likely to spend taxpayers money for private school gain.

It is very possible that in Ohio provisions would be made to provide matching money on an in-'kind and cash basis if the matching were established at a 90–10 ratio. I question, however, the advisability of placing the most successful phase of the Manpower Development and Training Act in danger when only a relatively small amount of money can assure its continued success. The public schools of this country have been providing in-kind matching over the life of the act through the use of their facilities and equipment.

The American Vocational Association supports S. 974 but requests that the section of the bill dealing with matching of Federal with State dollars be revised to continue the present full reimbursement to States and local communities for costs of Manpower Development and training programs.

Senator CLARK. Have you come to any agreement among yourselves as to how you would like to proceed?

Dr. MOBLEY. Mr. Chairman, first of all we appreciate very much this opportunity of appearing before your committee and we would like first of all for Dr. Shoemaker, who is president of the American Vocational Association to proceed, and we would like, if it is agreeable with you, sir, for Mr. Seagren to follow him. I have no formal paper that I will present. After the two have finished, then we will be ready for questions, and I will participate in that, if that is agreeable.

Senator CLARK. That will be fine, Dr. Mobley.

Will you go right ahead, please, Mr. Shoemaker. Do you want to read your statement or summarize it?

STATEMENT OF DR. BYRL R. SHOEMAKER, STATE DIRECTOR OF VOCATIONAL EDUCATION, COLUMBUS, OHIO

Dr. SHOEMAKER. I will summarize it.

For the record, my name is Byrl R. Shoemaker. I am president of the American Vocational Association and director of vocational education in Ohio.

I am pleased to appear in support of S. 974.

The American Vocational Association, with a membership of about 35,000 people, has always supported legislation for training and retraining of both youth and adults.

As a matter of interest, the American Vocational Association proudly helped prepare the first manpower bill concerned with this issue which you introduced into the Congress.

Senator CLARK. We are well aware of the help you gave us at that time.

Dr. SHOEMAKER. Thank you, sir.

Since the passage of this act, the educators have worked diligently to try to make it a success. I think the indication of this effort is in a report recently put out by the Departments of Health, Education, and Welfare, and Labor, which indicated that 85 percent of the program was in the institutional phase under the direction of the public school vocational education personnel.

We have begun to show some creativity in the States under the Manpower Act. I will use Ohio as an example, although there are many other States in which illustrations could be given. In southeastern Ohio, we have very few facilities for vocational education. We have people, however, who need the training. In order to meet this problem, with the help of a State building, a benevolent nearby industry, and money under the Manpower Act, we established a center which provided for the enrollment of about 420 persons at one time with 20 different occupational training areas available to both youth and adults.

Senator CLARK. Where is this?

Dr. SHOEMAKER. At Jackson, Ohio.

Senator CLARK. Where is Jackson?

Dr. SHOEMAKER. Southeastern Ohio in Jackson County, in the hilly area of our State.

Senator CLARK. Near the Ohio River?

Dr. SHOEMAKER. Yes, sir. We have now had a total approved enrollees of 1,440 in this manpower center. People from all over southern Ohio have been able to make use of this training center.

Senator CLARK. What sort of shape are you in for the kind of equipment you need and the kind of instructors you need to train these people in jobs which they might expect to get once the courses are over?

Dr. SHOEMAKER. All the vocational areas established in Jackson were identified by the employment service as areas in which training is needed.

Senator CLARK. How good a job do you think they did?

Dr. SHOEMAKER. We have had excellent placement of these people out of this Jackson center. As a matter of fact, sometimes a whole class will go to one industry away from the Jackson area.

Senator CLARK. How many of the 1,400 completed their courses?

Dr. SHOEMAKER. I would say about 800, sir.

Senator CLARK. What percentage of them have been placed?

Dr. SHOEMAKER. About 70 to 75 percent have been placed from that area, and in some classes a higher percentage. In a recent one, I know the whole class went to work.

Senator CLARK. Could you give us a few of the categories in which training is given?

Dr. SHOEMAKER. Yes, sir. It is on page 3 of the testimony. Such areas as clerk-stenographer, bookkeeper, routeman, machine tool operator, auto mechanic, auto service station mechanic, draftsman, welder, auto body repairman, custodian, combination cook, nurse aid, groundskeeper, farm mechanic, and then we begin to get some additional courses of the same type.

Senator CLARK. These are all adults?

Dr. SHOEMAKER. No. Some are youth and some adults.

Senator CLARK. All out of school, though?

Dr. SHOEMAKER. All out of school.

Senator CLARK. Where did you get the instructors? From the public school system?

Dr. SHOEMAKER. A few from the public school systems, and other we have secured from industry.

Senator CLARK. Was there any on-the-job training?

Dr. SHOEMAKER. No on-the-job training for the enrollees.

Senator CLARK. All right.

Dr. SHOEMAKER. Another center in which we have had a very interesting experiment is the Mahoning Valley Vocational School, at Vienna Air Force Base. Knowing that we have a larger number of disadvantaged youth in our larger cities, we established a residential center there with the help of a $250,000 grant from a donor, manpower funds, and the cooperation of the Air Force and a number of other people.

Senator CLARK. What part of the State is that?

Dr. SHOEMAKER. Near Youngstown. This is the northeastern area.

Senator CLARK. Did anybody cross the line from Pennsylvania to take those courses?

Dr. SHOEMAKER. We will not admit it if they are. This center can enroll 445 students at one time, with 18 different occupational areas represented in this center.

Senator CLARK. Did you have about the same results as at the Jackson center?

Dr. SHOEMAKER. We just started this center last July, so we have not had the graduates out of this one yet. We have added to this educational center a very heavy program of remedial education, since the center is pointed more toward disadvantaged youth. We have placed emphasis on remedial education, along with the social development and job training.

Senator CLARK. I meant to ask you, what is the range and duration of time of the courses given?

Dr. SHOEMAKER. Any place from around 12 weeks to 52, depending upon the nature of the occupation and upon the amount of remedial education that will have to be given to the people involved.

Senator CLARK. Do you see any need to lengthen the permissive length of the course?

Dr. SHOEMAKER. Yes, sir; if we wish to go into some of the more highly skilled and technical areas. We have not been able to go into the semiprofessional areas under the present act.

Senator CLARK. Because the time of the course is too short?

Dr. SHOEMAKER. That is correct. One year will not do the semiprofessional areas.

In addition to these two centers, with which we are very pleased, we have also gone into some multioccupational programs, specifically in Cleveland, Cincinnati, Toledo, and I am talking about five to six hundred people involved to get school programs.

One of the problems to serve people is that you have to have enough school programs to meet their different interests and abilities. I think it is important to also point out that we are not neglecting the emphasis upon the total vocational program and are not substituting manpower courses for what we would normally do in vocational education.

An indication of this: in 1963, the enrollment in manpower courses throughout the Nation was about 32,500; in 1963, we enrolled in preparatory courses for out-of-school youth and adults (not in school, but out of school) through our "regular" vocational education programs over 291,000 youth and adults; in 1964, in manpower there was a total enrollment of 65,400. In "regular" vocational programs for out-of-school youth and adults—practical nursing, post-high-school technical education, and other courses for unemployed adults—we enrolled over 336,000. So we are not substituting the manpower courses for efforts in the total vocational education program.

Senator CLARK. Does your program cover the whole State of Ohio?

Dr. SHOEMAKER. You mean our manpower program?

Senator CLARK. Under the training act. In other words, you have told me about a center in Youngstown. You have told me about another in Jackson County. Are you drawing into those two centers or other centers you set up in Ohio, potential trainees from all over the State?

Dr. SHOEMAKER. Yes, sir. Ohio was No. 1 in the number of different communities in which we offered manpower courses in the Nation.

In addition to this center approach, we also have spread manpower courses into more communities than any other State.

Senator CLARK. Largely in connection with the public school system.

Dr. SHOEMAKER. Almost exclusively in connection with the public school system.

Senator CLARK. Go ahead.

Dr. SHOEMAKER. The States do face some problems in the further expansion of this program. One is the limitation on the percentage of people in the program under 22 years of age. We have an administrative problem in how you phase this out over the total year to keep at the 25-percent level. Then, too, our experience in vocational

education over the years has indicated the longer your program goes, you will be taking care of the higher age group and you will be moving to a lower age group in terms of the larger numbers.

Senator CLARK. Do you think that 25-percent limitation should be removed?

Dr. SHOEMAKER. I would hope it would, sir.

Senator CLARK. What would be the result in Ohio if we did remove it? Would you forget about the present generation and concentrate on the young people?

Dr. SHOEMAKER. No, sir; and we have ample evidence to indicate they are not doing this in our regular vocational programs in any great number.

Another problem we face is that the Manpower Development and Training Act has been a temporary act. I have been criticized in Ohio for not adding enough staff, that I have not had enough staff in manpower. One reason why I do not feel free to staff adequately is because I am dealing with people's lives and the professional type of people I want will not take a 1-year job.

Senator CLARK. You know why it is temporary, and let me ask you why the State of Ohio would not put up its share of the tab.

Dr. SHOEMAKER. That is a good question, sir, and I will get to that in just a few minutes. It is a problem of matching. The reasons Ohio will not put up its share goes along these lines.

One, we are increasing our costs of education. Ohio is going to invest more in education, likely about $100 million more from the State level each year in the next biennium. The cost of education is going up. The cost of the State's investment in education is going up.

Senator CLARK. How am I going to meet the argument I am sure I will find in the committee and on the floor that the people who are closest to this program at the grassroots are represented in the State government by the legislators and the Governor, their vast disinterest in the program and the possibility that this is just a big Federal bureaucratic boondoggle as indicated by the fact that practically no State over a 3-year period has been willing to put up its matching share of grants of 50 percent. If the people really wanted this program, they will find the money somehow.

How am I going to meet that argument?

Dr. SHOEMAKER. Let me suggest three points. One is the matter of emphasis on increased cost of education.

Secondly, they have tended to look upon this as a Federal program, because of the Federal approval required on each and every individual project.

Senator CLARK. They knew under the law if they didn't put up their 50 percent, the program would come to an end. Or don't they care? You know a lot of people say they do not care.

Dr. SHOEMAKER. I cannot speak for all States on this issue; but I have talked with our finance department in our State government. There is a concern, an interest in seeing the program continued. But it is just a matter of what dollars you have and where you put the dollars you are spending.

They are going to have to put more money into the Vocational Education Act of 1963. There is going to be a requirement of

matching dollars there. They are going to have to increase the dollar volume of moneys going to a local community. A third point is the issue that they have never put money into subsidies of the training allowances. They have put money into education, but they have never put dollars into subsidy of training allowances for persons enrolled in programs, vocational or otherwise.

Senator CLARK. How important in your opinion are the subsidies or training allowances?

Dr. SHOEMAKER. For the type of people we are working with, sir, I think they are very important.

I never received a nickel for going to school in my life, and I paid my way up through everything I have ever done, beyond the high school level.

At the same time, while I have been personally willing and able to do this, I do not want to ascribe the same drive and understanding of the educational process need to everyone else. As I study the type of people we have enrolled, I have had to answer this same question in my own State.

Senator CLARK. If we were to eliminate allowances, that would pretty well wreck the program, would it not?

Dr. SHOEMAKER. Yes, sir; the types of persons who need this most would perhaps be the least willing to participate without some dollar assistance to keep them going.

Senator CLARK. They probably could not do it.

Dr. SHOEMAKER. They cannot afford to in the first place.

Senator CLARK. Are these all unemployed?

Dr. SHOEMAKER. They are all unemployed, sir. I am not particularly interested in the provision in law allowing people to work 20 hours a week and draw all that money and also draw training allowances. This does not interest me at all. Almost none of our people, however, are working, and at the same time going into training and getting training allowances. I could not name a single case in which this is a practice.

Senator CLARK. What can you tell us about the potential number of trainees who would be available if this act is made permanent and if we are able to fund it at a higher rate?

Dr. SHOEMAKER. Well, this program has been growing each year. One is a matter of developing of an attitude toward retraining. We have not even begun to scratch—let us say, in Cleveland—the potential of the people to be served, even with all we are doing in vocational education, all we are doing under manpower. We are still not touching even a fraction of the percentage of people. Part of this is an educational process to get people to even want to move into a training program.

Some people think if you offer potential students some dollars to enroll in training and offer to train them, they ought to flock toward the educational program. Well, they just are not educated in this direction, and it takes a period of time as growth has indicated from enrollments of 32,000 to 65,000 from 1963 to 1964.

Senator CLARK. Do you think, if we were able to step up through additional funding and the hiring of additional teachers, the level of training that that would have an adverse effect on the percentage of trainees who could be placed?

Dr. SHOEMAKER. An illustration of this. If this becomes a permanent act I will provide a continuing teacher education program for these teachers we are having to pull in from industry. At the present time, I cannot afford to. We are trying to do what we can to use our existing staff of teacher education, but we are not doing a full, adequate teacher education job and we know it.

Senator CLARK. Do you see a potential shortage of teachers for this program if we were to step it up?

Dr. SHOEMAKER. No, sir; we have learned through vocational education how to get people who know their field of work and prepare them to teach their field of work. We have had adequate experience in this and adequate evidence that it can be done.

Senator CLARK. Have you done any training for the area redevelopment authority?

Dr. SHOEMAKER. We have a section in Ohio, southeastern, which is part of the Area Development Act, and Cleveland, and Toledo have become a part of this act. The act is outmoded. The 16-week limitation on ARA training programs has led us to work more in the manpower area of operation.

Frankly, we see little need, and I speak personally here, because we have nothing on the AVA record from the standpoint of the Area Redevelopment Act to support these two separate training programs.

Senator CLARK. You would support the consolidation?

Dr. SHOEMAKER. Yes, sir, very definitely, and we have worked with both of them.

Senator CLARK. So, generally speaking, you would support and are in accord with the amendments to the Manpower Development and Training Act which have been suggested by the administration?

Dr. SHOEMAKER. Yes, sir, except we would, on the matching provision, ask that it become 100 percent instead of the 90–10, and on the principal basis that there is little chance to match in kind under the subsistence and training allowance end of the program. This fact would throw about 20 to 30 percent of any "in kind" matching costs over onto the educational end. This cannot be done honestly and budgetarywise by in-kind matching, and would therefore require dollar budget money for the MDT program from the State budget.

Senator CLARK. I do not see why you say 20 percent instead of 10.

Dr. SHOEMAKER. I said 20 percent on the educational facets. Let me illustrate. In Ohio this year we have obligated about $7 million: about $4½ million of that is for subsistence and training allowances: the rest of it is for education. There would be no way to get any in-kind matching for that $4½ million. This would throw all of the responsibility for any in-kind matching over onto the educational phase, and there just is not that much in-kind matching available for an MDT project. This would mean cash dollars from a local community serving people from a whole area, not from their own school district or from the State.

Senator CLARK. Do you not think there is some advantage in having at least a small part of the cost met at the local and State level instead of throwing it all on the Federal Government? It seems to me that you could make an awful good case in terms of alert accounting, elimination of waste, and general efficiency of the program if you do have some contribution at the local and State level.

Dr. SHOEMAKER. We have been making a contribution, sir. Cleveland, Ohio, I use this as an example—has not received one nickel for the use of their buildings, for the use of their equipment. They have been making a contribution. I have not received a nickel on the time I spent on this, or most of my staff.

Senator CLARK. Why cannot that be counted as a contribution in kind if we make it 90–10?

Dr. SHOEMAKER. It could, sir, but it would not count up to 20 percent of the cost of the education projects. We have been doing this and not even mentioning it or concerned about it. We have told our cities, this is your contribution to this program, and they have not quarreled. We have not had any city refuse to participate in the program.

Senator CLARK. Generally speaking, it has been my experience—and I suppose this is a self-interest statement having been a mayor—that the cities are a good deal more alert to these problems than the States. Why can you not jimmy something out of the State of Ohio?

Dr. SHOEMAKER. I would say honestly and report to you that in terms of Ohio, it has been indicated if it went 90–10 our State would likely go with it. I would say honestly that our State has indicated that they would likely do it, but I do not think that nationwide the dollars necessary to continue the program will be voted. Yet one facet of this program does not require any matching. The on-the-job training phase of it will require no matching.

Senator CLARK. We have a pragmatic, political problem in the Senate and the House, you know, with respect to this. Does that pretty well cover what you wanted to say?

Dr. SHOEMAKER. Yes, sir.

Senator CLARK. Thank you very much, Dr. Shoemaker, for a very helpful development of our problems here.

Would you take over, Mr. Seagren?

STATEMENT OF PHILIP W. SEAGREN, DIRECTOR OF VOCATIONAL AND ADULT EDUCATION, MIAMI, FLA.

Mr. SEAGREN. Senator Clark, with your permission, I would like to read my statement.

Senator CLARK. Do you mind if I interrupt you?

Mr. SEAGREN. Not at all.

My name is Philip W. Seagren. I am the director of vocational and adult education for the Dade County public school system, which includes the Greater Miami area, and I have served in this school system for the past 36 years.

I have served as chairman of the steering advisory committee for the State director of vocational and technical education of Florida and for the past 7 years I have served as his special consultant. Also, it has been my privilege for the past 3 years to be the chairman of the Legislative Committee for our National Council of Local Administrators which is an affiliate of the American Vocational Association and involves approximately 1,600 local directors throughout the Nation. I am also the chairman of the Policy and Planning Committee for the Trade and Industrial Division of the American Vocational Association.

In serving on these last two committees for the past 3 years, I have had the opportunity to obtain information concerning problems with finance as they pertain to our public school systems, both at the local and State levels.

Before going into detail on problems at State and local levels concerning budgets, I would like to comment on the value received thus far from manpower training in the Greater Miami area. As legislative chairman I spent considerable time in Washington in our AVA office working for the Manpower Training Act (Public Law 87–415) as enacted in 1962. The law, as it is written, is good and should remain in effect as long as a critical unemployment problem exists throughout the country.

In addition to my regular duties as local director for vocational and adult education, I also serve as the director of manpower training for our county. As a result of the Manpower Act, I have seen hundreds of men and women of all races lift themselves from the doldrums caused by long periods of unemployment to become self-respecting citizens who are now earning good salaries. I have received tremendous satisfaction by talking with these former manpower trainees when they come back and relate to me with great enthusiasm not only what they are earning per month, but also how happy they are in their work.

Permit me to cite a few instances which will indicate not only the enthusiastic response on the part of the trainees, but also the enthusiasm manifested by the employers—the taxpayers in our community.

In vocational education we have always worked with advisory and craft committees. We have approximately 50 such committees in our county which meet twice, and in some instances three times a year with members of our Lindsey Hopkins Vocational and Adult Education Staff. These persons from business and industry who are specialists in their fields help us to keep our courses up to date.

For example, through the effort of the chairman of the automotive committee we received an invitation from the Greater Miami Auto Dealers Association to invite all our manpower trainees enrolled in automotive and auto body repair courses to a dinner meeting in order to encourage these trainees to remain in the course for the full 48-week period. The president of the association promised each trainee a job if he satisfactorily completed the course. They lived up to their promise and placed every graduate.

One young man came by my office a few months ago beaming and said: "I am employed in a large auto body repair shop in Miami. I am paid on the basis of the number of jobs I do each day. Since being employed I have earned a minimum of $165 a week and some weeks I have made as high as $240." I checked with his employer to verify these statements and his reply was, "It is not only true, but I'll take 10 more just like him."

I wish it were possible for you to see our auto body shop which was made possible through Manpower Development and Training Act funds. It certainly is paying great dividends through the rehabilitation of unemployed persons who are now employed and will become taxpaying citizens in our community. The automotive

and the auto body shops are just two of the many courses offered under our manpower training.

I would like also to comment briefly on another phase of the manpower training program which in my opinion is a very important part of it; namely, the youth program. The youth project in Dade County has involved approximately 600 youth, ages 16 to 21. They were enrolled in refresher courses such as communications, applied mathematics, applied science, and employer-employee relations, plus another 1-hour period where the trainee receives individual assignments and was permitted to make field trips to business and industry.

These refresher courses cover a period of 10 weeks. We knew if we put these "dropouts" back into the classroom, we would have to make these subjects interesting and practical or they would be "dropouts" again. We accomplished our objective by making a direct application of the above subjects to the five major occupational areas consisting of (1) basic electricity and electronics; (2) internal combustion engines; (3) machine fabrication of metal and wood; (4) aviation; and (5) business and service trades, all of which were taught on an orientation basis in 3-hour blocks in the afternoon.

We felt it was important for the youth to go through these refresher courses and make up for their deficiencies. Tests were administered at the beginning of the refresher courses and then again at their completion.

As a result of this training, many of the youth jumped two and three grade levels when again tested. We did not have the first complaint from these youth because they had to go back to the classroom. Mainly because the subjects—communications, applied mathematics, applied science, and employer-employee relations became a tool that they could use in their occupational training being given them in the afternoon. The courses were no longer merely a textbook subject when handled in the above manner.

Because of this preparation, these youth were eager to get into occupational training and the end results were most gratifying. All during the 10-week period the youth had an opportunity to visit our vocational counselors, from our adult division, which was most helpful. This technique motivated the youth and gave them for the first time a sense of well-being and the feeling that someone cared for them. A goodly portion of the trainees in this project have completed their occupational courses; and even though many of them were high school graduates, they are now entering employment for the first time; the reason being that they now have an employable skill.

Unfortunately, our youth project reached its completion date in January 1965. We were unable to start another youth project because the length of the courses would extend beyond June 30, 1965. I look forward and most sincerely hope for a continuance of this youth project in July 1965. I also hope that it will be possible to plan projects for youth which will extend beyond June 1966. This will enable us to do a little more in the way of long-range planning.

I have tried to give you a thumbnail sketch of what manpower training has done for our community. It is for this reason that I am appealing to this committee that Senate bill 974, which will amend the Manpower Development and Training Act of 1962, be retained,

thus enabling us to continue this most important phase of occupational training throughout the country.

If possible, we would prefer having 100 percent Federal funds to carry on this program for 1965–66 for the following reasons:

1. According to Population Profile, published by Population Reference Bureau, Inc., Washington, and I quote,

> The 3,700,000 young Americans celebrating their 17th birthday in 1964 number nearly 1 million more than the 1963 crop of 17-year-olds. Teenage population growth is going to continue. After 1966, each succeeding year's crop of 17-year-olds will be bigger than the ones before, reaching 4 million or more by 1975.

The report continues:

> This phenomenon of massive teenage population growth presents social, moral, educational, juvenile delinquency, and employment problems which will increase each year.

2. What is the population explosion doing to our educational budget for the State of Florida? It is estimated that the expenditures for the biennium 1963–65 for education at all levels will be $486.5 million. Requests for the biennium 1965–67 which will be presented to our State legislature this year total $623.8 million; an increase of $137.3 million over the previous biennium, or 28.2 percent.

Indicated previously that this demand on educational facilities and staff will continue to grow for another decade. We also know that the same problems will exist in similar proportion throughout these United States.

I would like to read to you a resolution taken from page 42 of the minutes of the Southern Governors' Conference, 13th Annual Meeting, St. Anthony Hotel, San Antonio, Tex., October 14, 1964. This resolution carried the signatures of the 17 Governors; therefore, it had the unanimous approval of the entire southern region. The resolution reads as follows:

> RESOLUTION XI—MANPOWER DEVELOPMENT AND TRAINING ACT
>
> Whereas the Manpower Development and Training Act has been widely implemented in the several States of the Southern Governors Conference; and
>
> Whereas the type of basic and vocational training made possible by that act is extremely helpful to the economic and educational progress among the several States; and
>
> Whereas State revenues for educational purposes are at a premium in all the Southern States: Now, therefore, be it
>
> *Resolved*, That the Southern Governors Conference, meeting in San Antonio, Tex., October 14, 1964, respectfully petitions Congress and the President that the matching funds provisions of the Manpower Development and Training Act, presently due to become effective July 1, 1965, be postponed until substantial progress has been made in the States of the region in reducing the vast reservoir of uneducated and untrained persons inherited from past generations; and be it further
>
> *Resolved*, That a copy of this resolution be forwarded to the President of the United States and to each Member of Congress.

In conclusion, it is my earnest hope that Federal funds will be made available which will enable us to continue manpower training without placing an added burden on the several States.

Senator CLARK. Mr. Seagren, can I interrupt you a minute off the record?

(Discussion off the record.)

Senator CLARK. On the record.

Thank you very much, Mr. Seagren, for your very helpful statement; I was very much interested in your really quite heartening experiences in Miami, particularly in the automotive field and with the younger people.

You heard Dr. Shoemaker testify a few minutes ago; would your answers to the questions I asked him insofar as they are general and applicable to Florida instead of Ohio be approximately the same as his?

Mr. SEAGREN. I would say so; yes.

Senator CLARK. Thank you, sir. We appreciate your being with us.

Mr. SEAGREN. May I make one observation with reference to finance?

Senator CLARK. Yes, sir, I wish you would.

Mr. SEAGREN. The Florida picture, which is another reason why we feel we are not in a position to match funds at the present time, is that our budget for the biennium 1963 to 1965 was $486.5 million, and the request for the biennium 1965–67 will total $623.8 million, or an increase of $137.3 million, or 28 percent.

Now, that the increase in our State and I am sure that will parallel pretty much for all the States the added burden.

Senator CLARK. You, of course, have that Florida problem which is somewhat like California's. There is an enormous immigration which raises your education costs very strongly.

Dr. Mobley, do you want to take over this morning?

Dr. MOBLEY. Senator, I think our witnesses have covered the ground quite well. I want you to know the American Vocational Association which we all represent, is very much interested in these amendments, and we certainly hope that they will become law.

Senator CLARK. Thank you, sir. Do you take the same position on 90–10 as the other two witnesses?

Dr. MOBLEY. Yes, we do.

Senator CLARK. Senator Nelson?

Senator NELSON. No questions.

Senator CLARK. Thank you very much, gentlemen. I appreciate your coming here. You have been a great help to us as you always are.

Our next witness is the Honorable Robert D. Helsby, deputy secretary of labor for the State of New York.

STATEMENT OF HON. ROBERT D. HELSBY, DEPUTY SECRETARY OF LABOR, STATE OF NEW YORK; ACCOMPANIED BY NELSON F. HOPPER, DIRECTOR, OFFICE OF MANPOWER DEVELOPMENT, NEW YORK STATE DEPARTMENT OF LABOR

Senator CLARK. Mr. Helsby, we are very happy to have you with us. It is my understanding that Senator Javits asked you to come here today and that you are going to tell us some of the New York experiences and hopefully give us some guidance as to the desirability of reporting this bill out favorably.

I see that your statement is some eight pages long. If you want to read it, go ahead. If not, I would appreciate it if you would sum-

marize your views and give us an opportunity for colloquy as everybody on the staff and the committee will read it in due course, anyway.

Perhaps you would like to introduce your associate.

Mr. HELSBY. I am Robert D. Helsby, executive deputy industrial commissioner and I am here representing Industrial Commissioner Martin P. Catherwood of the State of New York. We are appearing at the request of Senator Javits.

As you understand, our legislature is in session, and we have our complications in New York.

Senator CLARK. That is the understatement of the year.

Mr. HELSBY. Commissioner Catherwood felt it necessary for him to remain in Albany. With me is Mr. Nelson Hopper, the director of our office of manpower development.

If there are specific technical questions, I am sure he will glad to answer them.

Senator CLARK. We are happy to have you with us, sir.

Mr. HELSBY. I would like to read part of my statement, Senator, if I may, if you would like to break in at any time, feel free to do so. I will probably omit the latter part of it, but I would like to read the first three or four pages if I may.

On behalf of Industrial Commissioner M. P. Catherwood, I wish to express our appreciation for this opportunity to appear and to testify in connection with this important program. Training programs conducted under the auspices of the Manpower Development and Training Act have been of substantial benefit to the citizens of New York State.

New York State has pioneered in making possible the training of unemployed workers. In 1960 section 599 of the unemployment insurance law was enacted which provides that unemployed workers drawing unemployment insurance benefits may enroll in approved training courses.

In 1962 a division of manpower was created within the department of labor at the direction of Governor Rockefeller. Later that same year, the Governor created an interdepartmental committee on manpower to coordinate the work of the departments of labor and education and other affected State agencies with respect to the Manpower Development and Training Act and related programs.

In the period from September 1962 to December 31, 1964, an estimated $34 million—$24.5 million for training and about $9.5 million for allowances—has been approved in New York State for manpower training programs. Potential job opportunities totaling 51,000 have been identified in more than 150 occupations; training has been approved for 28,791 persons; and training courses have been completed by 6,327 trainees, of whom 4,685 have obtained employment. The scope of the program in New York State has been continually expanding in both institutional and on-the-job training.

In the fiscal year 1963–64, training projects were approved for 7,640 persons. In the first half of fiscal 1964–65, training projects for more than 15,750 trainees have been approved. With this expansion, however, the number of unemployed persons requiring occupational and preoccupational training or retraining has barely begun.

Governor Rockefeller recommended to the legislature in his executive budget on January 28, 1965, that $8.8 million be appropriated for the Manpower Development and Training Act matching purposes. Since there is an overlap between the State fiscal year of April 1 and the Federal fiscal year July 1, it was visualized that this recommended State appropriation, together with Federal funds, would support an overall program of some $40 million in New York State for our forthcoming fiscal year, under the present one-third matching requirement.

POINT 1—MATCHING

The proposed amendment will require the States to contribute 10 percent of the cost rather than one-third for 1965–66 and 50 percent thereafter. This will make the matching requirements consistent with most of the matching requirements contained in both the Economic Opportunity Act and the Vocational Education Act.

While there have been a number of inevitable weaknesses under the Manpower Development and Training Act, this is a constructive program which helps to fill an existing gap. On a long-range basis, it is to be hoped that this gap will be filled largely, if not entirely, through the public school system with improved education and vocational training for both youth and adults.

In the meantime, however, I cannot escape the conclusion that the Manpower Development and Training Act should be continued on a substantial basis. Although I am convinced that funds for matching on a substantial basis would be provided by New York State under the present matching formula, it is clear from discussions with officials of other States that comparatively few can be expected to move substantially under the present formula.

POINT 2—ALLOCATION AMONG THE STATES

As Secretary of Labor Wirtz is aware, we in New York State are unhappy with the procedures used for the allocation of available funds to the States. These procedures have not carried out what we thought was the intent of Congress.

In our view, the practice of reallocation has been carried to the point where the allocation formula in the law has been made almost meaningless. For example, for the fiscal year 1963–64 we were informed in November that the New York State allocation under the Manpower Development and Training Act was $9.8 million. This was the percentage allocation pursuant to legislation after reservation of funds for Federal purposes. At the same time, however, we were informed that $2 million had been withdrawn from this allocation and placed in a national pool. In January 1964, only 2 months later, we were informed that all funds had been placed in a national pool.

In the current fiscal year, 1964–65, we did not learn the size of the actual New York State allocation until late September 1964. At this time we were informed that $11 million of our $28 million allocation had been diverted to the national pool, and by November 30 our remaining allocation had been exhausted. We may receive additional funds, but we know not how much and when.

The net result of these procedures is that neither the New York State Department of Labor nor the Department of Education can provide needed assurance to local school boards that any specific amount of funds will be forthcoming.

I might add parenthetically that this is almost like trying to plan a budget for the year when you do not know what your income will be.

This lack of assurance impedes program development of the school systems and makes it impossible to use effectively the results of training needs surveys.

This allocation practice materially reduced the overall level of program development and effectiveness in New York State.

In my opinion, the proposed amendment to section 305 should constitute a substantial step forward. It would permit the cost of training programs approved in a fiscal year, including the cost of training allowances, to be paid from funds appropriated for such purposes during that fiscal year. Different practices seem to have been followed by the U.S. Labor Department and by HEW, and from our standpoint, there has been tremendous confusion and uncertainty as to which year's appropriation would be charged for project expenditures. Such a change will go far in permitting the States to develop more stable and economical programs, particularly if coupled with a bona fide allocation as among States for a larger portion of the fiscal year than has been the case heretofore.

Now, the rest of the statement comments specifically on the individual amendments.

Senator CLARK. I have read it with interest, and we will include it in the record at this point.

(The balance of Mr. Helsby's prepared statement follows:)

BALANCE OF MR. HELSBY'S STATEMENT

3. COMMENT ON AMENDMENTS

With respect to the amendments other than the matching amendment, we have the following comments:

(*a*) *Program extension.*—In view of the continuing need, we welcome the amendment of title II which removes the terminal date of June 30, 1966.

(*b*) *Experimental projects.*—We favor the shift of experimental and demonstration projects from title II to title I. We hope that this proposal can be helpful in eliminating some of the existing confusion concerning responsibility in this area. In connection with such a change, we hope that appropriate guidelines and procedures will be developed which will clarify the role of nonprofit agencies and that of the employment service with respect to such experimental projects. At present there is considerable confusion and uncertainty as to the appropriate role of nonprofit agencies and the employment service, particularly in a situation in which the experimental and demonstration projects conducted by nonprofit agencies are charged against State allocations under title II.

(*c*) *Labor mobility demonstration projects.*—We welcome the inclusion of the authorization of "Labor mobility demonstration projects," in title I, together with the elimination of the 50-percent limit on the relocation grants. The relocation costs per case may well prove higher than may have been expected. We are now conducting a relocation research project on Long Island in which this issue may be far from academic.

(*d*) *Extension of duration.*—We favor the extension of the maximum potential duration of training allowances from 52 to 104 weeks. For the small proportion of trainees for whom such a proposal is desirable, this should permit us to expand the coverage of the training program in line with the requirements for an increasing number of highly skilled technicians. The 52-week limitation on the duration of training courses has resulted, in New York, in a concentra-

tion of projects in occupations not requiring intensive technical training; the proposed extension to 104 weeks will make it possible to help professional and semiprofessional workers affected by automation and technological change, as contemplated by section 101 of the act, "Statement of findings and purpose."

(*e*) *Dependency benefits.*—The amendment proposing payment of dependency allowances in the amount of $5 a week for each dependent in excess of two up to a maximum of $20 raises several basic issues. This proposal appears to mean that in New York State the maximum training allowance could be as high as $70 per week with our present $50 maximum for unemployment insurance benefits.

This proposal would affect the problem of trainees being forced to drop out of training programs, particularly those of long duration, because training allowances have, in some instances, not been adequate enough to support a large family.

(*f*) *Transportation expenses.*—We believe that the proposed amendment to section 103(b) needs to be clarified. The amendment would apparently permit the payment of transportation expenses between the trainee's home to and from the training center regardless of the distance.

Most workers in New York State "commute" to work when employed, and to places of employment, in search of work, when unemployed. Under the varied conditions which exist in New York State, this proposed amendment presents a host of administrative and policy problems. Subway fare in New York City presents one range of problems. Conditions upstate in remote areas without public transportation represent another.

(*g*) *Contributions in cash or kind.*—This amendment proposes that: "Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant equipment and services."

With State's mounting burdens in so many essential fields, the interpretation of the word "kind" in the proposed amendment may be of real significance to many States and to their ability to participate in the program. The broader the interpretation, the larger the program that can be supported in many States.

(*h*) *Redevelopment areas.*—We support the elimination of differing provisions for training in redevelopment areas, and the continuation of 100-percent Federal financing of the Manpower Development and Training Act training conducted in such areas. This might well provide incentives for further development of training programs in these areas and also would eliminate the disparity in the training provisions of the Area Redevelopment Act and the Manpower Development and Training Act.

4. ADDITIONAL RECOMMENDATIONS

There are two additional propoals which we would like to see added to the Manpower Act of 1965:

(*a*) Even though section 101 notes "that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories," the act has not been utilized to train or retrain scientists, engineers, and other professional workers, even under conditions where such retraining is needed because of changes in production due to defense cutbacks. We believe that provisions should be made in the act at least authorizing the payment of tuition, fees, and allowances to professional, scientific, and technical personnel who become unemployed because of defense cutbacks.

(*b*) After nearly 3 years of experience with this program, States such as New York are familiar with the standards and procedures under the Manpower Development and Training Act. The multiplicity of agencies involved under the statute, coupled with the various procedures and reviews, however, result in much unfortunate delay and expense. It is not argued that the States should be permitted to violate Federal standards. If, however, by statute and regulation and within specified limits the States were given somewhat more authority than at present to proceed with projects rather than waiting for final Federal approval, the whole process would be speeded up and made more effective.

Senator CLARK. I think you have made some very useful suggestions, Mr. Helsby, and with respect to the comment on the administrative difficulty with respect to allocation, we will certainly ask the Department of Labor for an explanation of that.

I see Mr. Merrick in the audience. I would ask him if he would be prepared to give us in writing some comments on this.

(The material requested follows:)

DEPARTMENT OF LABOR STATEMENT ON APPOINTMENT AND USE OF MANPOWER DEVELOPMENT AND TRAINING ACT FUNDS FOR OCCUPATIONAL TRAINING

Section 301 of the Manpower Development and Training Act provides the basis for the administration of the distribution among the States of funds appropriated for occupational training programs under the act.

APPOINTMENT OF BENEFITS

"SEC. 301. For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall make such apportionment in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the lack of appropriate full-time employment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State, and (5) the average weekly unemployment compensation benefits paid by the State. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in aparticular State, or where the State or appropriate agencies in the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this Act."

The Departments of Labor and Health, Education, and Welfare have carried out the provisions of section 301 with two primary objectives: (1) to assure that the initial apportionment of funds available under each year's appropriation was equitably identified for each State and made available for the maximum practical period of time; (2) that unobligated funds in any State were not allowed to remain unused when other States, having fully obligated their apportionments, had further training prorgams developed and could proceed with training additional unemployed workers if funds could be made available. In December 1963, in amending the original act of March 15, 1962, the Congress particularly emphasized the sense of urgency with which it believed the Departments should push forward with the program at the greatest practicable speed in order to hasten the training and return to useful work of as many unemployed persons as possible.

The Manpower Development and Training Act was enacted March 15, 1962, but appropriations first became available August 14, 1962. The appropriation was $70 million, of which $57.5 million was identified for training activities under title II. This amount was apportioned among the States in accordance with the factors identified in section 301 and 90 percent of the amount was immediately allocated to each State. By February 1963, several States had fully utilized their allocation and had developed additional training projects which could not proceed without additional funds. The remaining 10 percent of their apportionment was made available and as this proved insufficient added funds were made available by withdrawing portions of the original allocations to States which had not developed programs. All States were urged to continue to develop projects as rapidly as possible with the assurance that funds would be made available so long as any appropriated funds remained. By June 30, 1963, a total of $44.7 million or 77 percent of the $57.5 million appropriated had been obligated for fiscal 1963 expenses. Eighteen States had obligated their full apportionment and had made available additional funds reassigned from those States who had not used their funds. For New York, 87 percent of the 1963 appropriation was obligated.

At the beginning of fiscal 1964, there were trainee allowance payments remaining to be made to trainees enrolled in programs approved during fiscal year 1963 amounting to $24.9 million, for which $12.8 million was available from the 1963 appropriation.

Continuing to consider the fiscal 1963 State apportionments for the $12.8 million available from the 1963 appropriation, each State's requirements were met from their apportionments where possible. In all, 17 States finally did not require their fiscal 1963 apportionment to pay the full costs of all training projects approved in their States during fiscal 1963. Their unused funds were allocated among all other States to reduce the amount of training allowance payments to be paid from the 1964 appropriation. New York required more than its 13 percent unobligated balance to pay allowances to its trainees still enrolled in courses after June 30, 1963, and thus was one of the States that benefited from the assignment of unused funds from the 17 States.

The fiscal 1964 appropriation was not enacted until October 11, 1963, so that for nearly 3½ months from July 1, 1963, the program operated under continuing resolutions. During this period State apportionments were not operable, but all States were urged to develop and submit training projects, to be funded so long as moneys were available under provision of the continuing resolutions. The fiscal 1964 appropriation was $110 million, of which $90 million was for training projects under title II. State apportionments were again determined, using updated factors as provided in section 301 of the act and obligations incurred by the States from July 1 forward were assigned against the State apportionments. Several States had proceeded with their program development so rapidly that they had fully utilized their 1964 apportionments, while others had obligated relatively little of their 1964 apportionment. New York had obligated 37 percent of its apportionment.

The Department had requested, for fiscal 1964, $165 million, the amount authorized for that year by the act. In appropriating the considerably lesser amount of $110 million, the Congress instructed the Department to proceed with the program as rapidly as possible and to return with a request for added funds if it found they could be effectively used due to increased pace of the program. In order, therefore, not to interrupt the program and to make it possible for all States to continue their program development as rapidly as they were able, in States where the obligations were very low, the immediate allocations were less than the full State apportionment. In the case of New York, the fiscal 1964 apportionment was $9.8 million and the initial allocation was $7.8 million.

The fiscal 1964 program did develop rapidly during the period following enactment of the appropriation in mid-October and by mid-December it was apparent all funds would be exhausted shortly after the first of the year.

By December 31, 1963, $77.6 million of the $90 million or 86 percent had been obligated. For New York, however, only 52 percent of its full apportionment had been obligated, and only 66 percent of its reduced allocation.

In January 1964, the Department submitted a request for a supplemental appropriation of $55 million, the full amount authorized for the fiscal year. With the available appropriation virtually exhausted, on January 1, 1964, all unobligated balances among the States were withdrawn and assigned to a national account in order to assure complete utilization of funds. The request for supplemental funds was not finally enacted until June 9, 1964, and then in the amount of $20 million, so that there was virtually no approval of new training programs for 5 months. A very large backlog of projects built up, awaiting the availability of funds. The fiscal 1964 supplemental appropriation brought the total fiscal 1964 appropriation for training program activities under title II to $109 million, of which 98 percent was obligated. Although 28 States during fiscal year 1964 fully used their apportionment and more, New York used 86 percent. On July 1, 1964, allowance payments remaining to be made to trainees enrolled in projects already approved amounted to $70.4 million, of which $2.1 million was provided for from the unobligated balance of the fiscal 1964 appropriation and $68.3 million was needed from the fiscal 1965 appropriation. The New York apportionment factor of 11.44 percent would indicate that its required allowance payments from the fiscal 1965 appropriation might be approximately $7 million, whereas they amounted to $1.1 million because of its relatively small program development throughout the fiscal year 1964.

For fiscal 1965 the program has operated in the same manner as during fiscal 1964. The appropriation was enacted September 18, 1964, in the amount of $307.9 million, of which $245 million was for training programs under title II. Sixty percent of the appropriation had been obligated during the period from July while operating under continuing resolutions and many States had obligated the full amount of their fiscal 1965 apportionment. New York had obligated only 25 percent of its apportionment. Again, in order to maximize the oppor-

tunity for all States to continue their program development and to assure the full use of available moneys, allocations were made to all States, with a small national reserve being maintained for use by any State if needed. It was possible to continue the program on this basis through the end of 1964. As of December 31, 1964, every training project in the United States for which a State had requested approval and funds, had been funded, including New York. On January 1, 1965, as a year earlier, it was necessary to establish a single national account because less than 10 percent of appropriated funds remained available. The Department is again submitting a request for a supplemental appropriation in the amount of $103 million, the full amount authorized under the act, and hopes that the request will receive early and favorable consideration in the Congress so that the approval of training programs will not have to be discontinued as they were a year ago.

The record of the Manpower Development and Training Act program in the 2½ years of its operation has clearly demonstrated the interest and ability of the great majority of States in developing training programs to provide opportunities for its unemployed citizens to gain a new skill or improve a present one in order to return to useful employment. The program has developed faster than the financial resources available, making it all the more urgent, as the Congress intended through section 301 of the act, that available funds not be permitted to remain unused in one State when another State has need for them. The Congress was careful to assure each State equal opportunity to participate in the program each year with the enactment of the appropriation. The Departments of Labor and Health, Education, and Welfare have made every effort to provide each State with the fullest opportunity to participate in the program without indefinitely restricting any State whose program capability exceeded its originally determined share of the program.

Senator CLARK. For the rest, I think your recommendations are very interesting and very constructive, and we will look into them quite carefully.

I want to thank you for coming down, sir.

Senator Nelson, do you have some comments, some questions?

Senator NELSON. I have not read the whole statement so he may very well have covered what I want to ask you about.

How many people did you train last year? Are those figures on the front page?

Mr. HELSBY. Yes, they are, the last paragraph on the front page, in the fiscal year—well, in the first half of fiscal year 1964–65, 15,750; for the fiscal year 1963–64, 7,640. During calendar year 1964, 4,318 persons completed institutional Manpower Development and Training Act training.

Senator NELSON. Who were these men? Were these people who had been employed and became unemployed?

Mr. HELSBY. Yes, by and large, this is true.

Senator NELSON. You are not including any statistics on people who have been injured on the job and a retraining program for them, that sort of thing?

Mr. HELSBY. The only thing that would come close to what I think you are referring to are the 2,200 trainees in on-the-job training; these people are not employed. On-the-job training indicates, as you know, a man is trained on the job. Some of the programs were for unemployed people who were committed to take jobs but these would be the only people, and this figure would relate to the figure up in the above paragraph where we had 28,791 persons, about 2,200 of those were on-the-job training trainees.

Senator NELSON. I just wanted to be sure. You are not including what you call vocational rehabilitation types?

Mr. HELSBY. No, sir; these are strictly under the Manpower Development and Training Act.

Senator NELSON. Under what circumstances are most of these people trained? Is this all in technical vocational schools?

Mr. HELSBY. Not all. It is largely institutional, except for the 2,200 on-the-job trainees. We use public school facilities, vocational and technical schools, and some private training facilities.

We have utilized some of our 2-year technical institutes, the State University of New York has about 28 community colleges and technical institutes. We have utilized these to some degree, but by and large the vocational and technical education facilities of the public school system have provided the training.

In some cases, we have set up special facilities for the training program.

Senator NELSON. Do you have any followup statistics on the percentage of these retrained men or women who subsequently became employed?

Mr. HELSBY. Yes, we do. Our figure here in the next to the last paragraph, this indicates about 75 percent, if you will notice the figure 6,327, of whom 4,685 have obtained employment.

This is about 75 percent, and this is about what we are running—70 to 75 percent of people who complete their training become employed.

Senator NELSON. Do you have a breakdown of statistics on the number of these people who were unskilled when they started? Are you retraining some people with skills?

Mr. HELSBY. Yes, we are doing some of that. I would say, however, that by and large the program has tended toward the unskilled segment of the labor force.

Senator CLARK. Perhaps you could give us, if Senator Nelson would permit the interruption, some guidance as to the categories of jobs in which your major training efforts have been concentrated.

Mr. HELSBY. Yes. As a matter of fact, we have a listing with us, if you are interested in having it for the record.

Senator CLARK. I would like to have it.

Mr. HELSBY. We have a complete listing of the current occupations for which training is being given or planned. We have listed here about 150 various occupations. I will be glad to supply it for the record.

Senator CLARK. Thank you. What are the major ones?

Mr. HELSBY. I think those have gone pretty well along with the ones Secretary Wirtz described in his testimony yesterday, and the ones testified to earlier. Clerical occupations, machine operators, practical nurses, and some semiskilled, if you call auto mechanics, for instance, semiskilled people.

(The listing referred to will be found on pp. 133–136.)

Senator CLARK. I notice that you make a recommendation that we extend the program to unemployed engineers and other professional people.

Is there a real need for that? I would think most of those people would be able to get whatever retraining they needed without getting into the type of training allowance and so forth that is called for by this act. Generally speaking, they tend to be in a higher income group with some savings, do they not?

Mr. HELSBY. I am glad you mentioned this. It is one of the key factors; this is point A. You will notice we have restricted this in our recommendation, in the last sentence of that statement, to those who become unemployed because of defense cutbacks.

We feel that the Federal Government in cutting back employment in some of these key areas must accept some measure of responsibility for professional and highly skilled people who need retraining, who need additional training to get jobs, and this is one of the key areas of need.

Senator CLARK. It is interesting. I would hope that we would not have to put this relatively highly skilled and trained professional man into the manpower retraining pool. Maybe it is necessary. That is an interesting suggestion.

I interrupted you, Senator. I am sorry.

Senator NELSON. That is all right.

What is the length of training you have been giving to these persons?

Mr. HESLBY. At the present time, the average length is 34 weeks.

Senator NELSON. What is the average cost, total cost, per trainee?

Mr. HELSBY. Institutional training has been running about $1,200 per trainee; I might add, however, that in the multioccupational programs where we give basic training, the three R's and then we go into training for broad family groups of occupations, and then into specific occupational skill training. The cost will run much higher than this. As a matter of fact, it may run double this; it may run as high as $2,200 to $2,400 per trainee. We are just getting into these programs. At the present time, it is roughly $1,200 a year.

Senator NELSON. Does your presentation include any statistics on the length of time these people were unemployed prior to coming into the program?

Mr. HELSBY. No; it does not. We have not included this in our presentation. I would say, however, on facts like this, and I read Secretary Wirtz' testimony of yesterday, in a comparison of these figures, our figures, because of the size of our State, and the cross-section that we represent, our figures would run very closely parallel to the Federal figures.

Senator NELSON. I was not able to be here through the whole presentation yesterday, so I might be repetitious. What I was really getting at is, Are we getting to some of the long-term, hard-core unemployed, or is this——

Mr. HELSBY. Yes; we are. As I recall from his testimony, he quoted the figure, I think, of the average of 15 weeks, was it not, that these people had been unemployed. I believe that is right. We are, depending on what you characterize as "long-term," certainly I think most of us would figure that a man who is unemployed for 15 weeks is a pretty long time.

Senator CLARK. I would like to comment when the act first got underway they tended to skim off the cream from the top of the bottle, take those who were most likely to find jobs, a rather natural human reaction, because they wanted to make a good showing as to the number of people they could place in jobs, but by now they are down pretty well to the hard core, and the drop of the reemployment figures down to around 70 to 75 percent indicates to me that they are really getting

down to the hard core, and this, I think, is good. I would rather see a lower ratio of people placed than just to take the easy cases and get them a job.

Mr. HELSBY. Right. Senator, you raise a point which I think may be of interest to you.

We have recognized that in many of our more remote areas it is difficult to get a class size, to run into a regular kind of institutional Manpower Development and Training Act program. What we have done, with entirely State money, is to set up a pilot program, where we are taking a group of people, one man from this town, one man from that town, and sending them to school, most of them to New York City, because this is where the majority of these schools exist. By paying tuition, fees, allowances, and so on, doing this entirely with State funds, from the standpoint that you mentioned, as you get down the line here and get down off the top, you run into the problem where there are not large groups, where there are the ones, the twos, the threes, that also need this kind of a program. I think this is one of the considerations that has to be made.

Senator CLARK. We have had to do the same thing in Pennsylvania; in fact, we are shipping a lot of people up to Williamsport, because we happen to have a good school up there.

This runs up the expense, but in the end, it is probably better than trying to extend a lot of little training courses around the rural counties.

Mr. HELSBY. That is right.

Senator NELSON. Do you have any people in your program in New York who have never had any work experience?

Mr. HELSBY. Do we have many people in New York without work experience?

Senator NELSON. Do you have any of them?

Mr. HELSBY. Yes, mainly under the youth program. As you know, the amendments were changed a couple of years ago to provide training to youth from 16 to 21 years, with youth allowances; some of these have no work experience, but they are out of school.

Senator NELSON. Do you have a breakdown in your statistics? As I recall, you were saying about 75 percent of those you trained got jobs.

Mr. HELSBY. Yes.

Senator NELSON. Within what length of period?

Mr. HELSBY. Here is what we have done on that. We have felt the importance of followup and of evaluation of the program. We have a continuing program whereby we evaluate what has happened to this man at periodic intervals after completion of training. Because of the newness of the program, we most recently studied those who have been out of training programs for 6 months' time and this, as I say, we are continuing to follow up. In this most recent study, we found that 66 percent of those who completed their training were still employed after 6 months.

Senator NELSON. Seventy-five percent of those who started got jobs, then 66 percent of that 75 percent were still working?

Mr. HELSBY. Of those who completed, 75 percent got jobs immediately, as soon as they had finished training. The study I am referring to is a study of a group 6 months after they had completed training,

and we found that 66 percent as compared to the 75 were still at work. Some reduction, but still hovering around the 70 percent mark.

Senator NELSON. This is the figure that is confusing me momentarily; 75 percent of the original 100 percent got jobs, and 66 percent of the original 100 percent were still in jobs 6 months later?

Mr. HELSBY. That is right. I can see your confusion.

Senator NELSON. Did you have a breakdown of the training background of each trainee so that we could get an idea of how employable and how long each group stayed employed? For example, the youth with no work experience at all versus the man who has a long work experience and just became unemployed, and so forth? Do you have that kind of a thing?

Mr. HELSBY. I think this would be a good point to get the fellow who really knows the score; Mr. Hopper can respond to that.

Senator NELSON. I am interested to see whether your experience with the youth, for example——

Mr. HOPPER. We have not conducted studies in this area in terms of youth employment versus the adult phase of the employment, but basically, I think our position would have to be, and is, that youth finds it more difficult to get jobs. We find it more difficult to develop jobs for youth, as opposed to the adult group where they fit into the industrial structure of the local area more effectively.

Mr. HELSBY. I think this is a good generalization.

Senator NELSON. Do your statistics show figures—I will hold for the moment.

Senator CLARK. Thank you, sir.

Mr. Helsby, would you refer to your statement, please?

Mr. HELSBY. Yes, sir.

Senator CLARK. Under subsection (b) there, experimental projects, you raise the question of the appropriate relationship between nonprofit agencies and the employment service, particularly in connection with the experimental and demonstration projects.

Could you give us a recommendation as to what you think that relationship should be? You do not seem to be satisfied with the way it is now, and you may well be right, but I would like to know what your thinking is as to how that should be remedied, and whether this is merely an administrative problem or whether it requires some reference to legislation.

Mr. HELSBY. First of all, I think that the amendment which would take these E. & D. projects, as we call them, out of title II and put them into title I, would be helpful in this respect, because this would now no longer take moneys away from our conventional title II programs. This has been a source of friction.

Senator CLARK. I agree with you on that.

Mr. HELSBY. But there is no sense of evading the issue and the problems of the employment service and the Manpower Development and Training Act programs, and I would say even more so, with the antipoverty act as well, which is not a subject here this morning.

But it seems to me, when the Federal Government works directly with nonprofit agencies, as they do in many cases, that there has to be a very carefully worked out, inclusion of the Employment Service in the negotiations. We do not feel that we can simply walk off from our responsibilities—the responsibilities given to us in the Employ-

ment Service. These are such responsibilities as recruiting of candidates, testing, guidance, counseling, referring, placement, and so forth. When we see programs coming which overlap or in many cases duplicate these services, this causes problems.

I am sure I do not have to spell out for you the problems it causes with our staff, and this, I think, must be more carefully dealt with so that the Employment Service people, particularly those at the State level, are party to the negotiations, so that this does not become a de facto issue without State involvement.

Senator CLARK. Of course, you can recognize the problem we must deal with in 50 States, this is an admission I hate to make but yours is a rather enlightened State.

Mr. HELSBY. Thank you, sir.

Senator CLARK. New York, Wisconsin, California, and some of the others have been well ahead of many of the other States; unfortunately, if you do not have Federal leadership and Federal guidance, you do not get anything done. You would not go so far as to eliminate the nonprofit agencies in this program?

Mr. HELSBY. I do not think I would. This is my personal comment, obviously. My own personal feeling is I would not eliminate the nonprofit agencies because there is a role, and a legitimate and logical role for them. But I think that there must be more consideration for the State's role here and our responsibilities under the law.

Senator CLARK. I think you are right. Actually, this is an administrative rather than legislative problem.

Mr. HELSBY. It is legislative to the extent of the amendment. I think this is one of the ways the act can be strengthened; take the funds out of the title II and put them in title I.

Senator CLARK. Other than that, you would not recommend, would you, any legislative change in the act?

Mr. HELSBY. I do not have any specific recommendation on that.

Senator CLARK. If you want to think it over some more and think you would have one, please do not hesitate to send it down.

Mr. HELSBY. I appreciate it. This is my off-the-cuff opinion. I will be glad to give it some mature exploration.

Senator CLARK. You make reference to a research and relocation project on Long Island and rather put up a warning flag about it. Can you fill us in on that?

Mr. HELSBY. We have a research project going on in Nassau-Suffolk. There are three basic phases to this project. The first is made from Department of Defense moneys, which is actually a study of what has happened, what is happening, what will happen to the displaced workers from Republic Aviation on Long Island. This is where a defense cutback has taken place and continues to take place. Therefore, it is a key concern. You have many highly skilled people concerned.

Senator CLARK. You are going to have to get them out of Long Island in all probability, are you not?

Mr. HELSBY. We are not sure of that, Senator. It depends on what happens on Long Island, whether other industries come in and take their place and so on. At the moment, we cannot be sure of that.

The second phase is the actual study of mobility, and there have been 200 people, the goal is to move or at least pay moving expenses

for some 200 people. It is anticipated that the average cost there may run as high as $900 for moving and relocation expenses, and this is roughly what they have used in budgeting the money.

The third phase of that problem——

Senator CLARK. That does not mean taking somebody from Long Island to an aircraft factory in California, does it, or might it?

Mr. HELSBY. Possibly. At this stage, however, the program has just gotten under way. We have just appointed our manpower panel, advisory panel, of some 30 people and we have hired some people. I think frankly it is too early to tell what impact the Secretary's regulations will have.

Senator CLARK. Thank you, Mr. Helsby.

Senator Nelson has more questions, and I will ask him to preside and close up the hearing.

(At this point, 11 a.m., Senator Nelson assumed the chair and presided.)

Senator NELSON (presiding pro tempore). A few moments ago we were talking about comparing the various categories of trainees. Once the youth with no job experience does finish his training and does become employed do your statistics show that he is as likely to remain employed and hold on to his job as the trainee with previous work experience?

Mr. HELSBY. In our present study of 6 months' followup, that is shown.

Now, as I mentioned, this is a continuing study and will be with us, so that we can later on, I think more definitively answer the questions that you are asking. These are logical questions, because everybody wants to know what the effectiveness of any given program is, or what happens to people, and we have recognized this and this is why we are continuing to study these people.

Senator NELSON. But in this group of 66 percent, as I understand it, a smaller percentage of the youth with no job experience got into that—first 75 percent.

Mr. HELSBY. Senator, I do not know the answer to that.

Do you know the answer to this at all, Mr. Hopper?

Mr. HOPPER. I would say there were less youth in this 66-percent figure, because of the timing of training completions and because of the then existing regulations in terms of developing youth programs. As we have more experience in terms of our own on going and future programs, our youth will represent a greater percentage of the total sample.

Senator NELSON. In that 66 percent, however, did the youth who did get jobs in the original 75 percent figure, retain their positions, jobs, in as high a percentage as trainees who had work experience before?

Mr. HOPPER. I can only give you an opinion, that I would say that their rate of holding onto jobs was satisfactory and probably equivalent to the adult placements for the kinds of occupations in which they were placed. We know in some instances and in some occupations that they have had opportunities for promotion, they have had opportunities for further inservice training.

Senator NELSON. I do not know what the law provides, but is there a limitation on the kind of training you can give, the nature of the

job? Are you supposed to give training in jobs that are in short supply of employees in the country?

Mr. HELSBY. Before we put any program into the mill, so to speak, before any program is approved, a labor economist in our Division of Employment has to first of all establish the fact that there is a need for people in this particular occupation. So this at least in broad terms has been reasonably established at the outset.

Senator NELSON. Do the statistics that you have submitted for the record have a breakdown by type of job and the number of trainees in each type?

Mr. HELSBY. Yes, sir; number of trainees, the date started, the date concluded, initial enrollment, and so forth. This is quite an extensive document, but I think you will find it interesting.

(See pp. 133–136.)

Senator NELSON. In your testimony you say:

> **If, however, by statute and regulation and within specified limits the States were given somewhat more authority than at present to proceed with projects rather than waiting for final Federal approval, the whole process would be speeded up and made more effective.**

I do not understand that. What do you mean by that?

Mr. HELSBY. I am glad you raised it, it gives me an opportunity to tell you about something that is very close to our hearts.

To secure approval of a program our Division of Employment has to first prove with reasonable assurance that there is a need for such occupational training and then route this through the Department of Education. It then has to come to the Federal Government and receive final approval. Before receiving Federal approval the local school boards have to go to work in terms of getting a facility to conduct the training, teachers, equipment, budgeting, and so on. I would say a bare minimum here, and this is really pushing it through rapidly, is from 2 to 3 months of time. Many things can happen in that time.

Senator NELSON. From the inception of the program?

Mr. HELSBY. From the inception of the program until final Federal approval. Now, some of the larger ones, the multioccupational ones, that I referred to earlier, may run as long as 9 months or a year, because you are involving millions of dollars. The New York City multioccupational program, for example, may run anywhere from $6 to $10 million, depending on how it will take shape.

Therefore, long project development time is needed. Our point is now that we have these years behind us, some of these programs and particularly the smaller programs, fall into a somewhat routine fashion. We know what the Federal standards are, and as we emphasize this here, we are not urging by any stretch of the imagination that we would be allowed to ignore or violate Federal standards. But we know what the standards are from the hundreds of programs we have run through and we know what we can do and what we cannot do.

What we are suggesting is that in some programs, particularly the smaller ones (and you may be interested in a guess at the size; if I had to pull a figure out of the hat, possibly involving less than $100,000), that we in the States would have the prerogatives to push ahead with those programs as though we had Federal approval, because we know from our past experience that they will be approved.

Therefore, earlier commitments could be made to the school boards, machinery could be set up, teachers recruited, material and equipment obtained, and it would expedite this program a great deal.

Senator NELSON. Do you have any suggestions as to how we could implement this idea? Would it require changing the act?

Mr. HELSBY. Frankly, I do not think so. Frankly, I think this could be done administratively through the Department of Labor. I have not explored it in any great detail, but it is my feeling this could be done administratively.

Senator NELSON. Do you see any risks at all in this kind of thing?

Mr. HELSBY. There are, and I think when you are dealing with 50 States, you have to look at the risks.

I would say, let us just explore for a minute. Suppose that we were allowed this privilege, and suppose that we were allowed to go ahead with programs under $100,000. Let us say that we made commitments, and the Federal Government subsequently found that it violated Federal standards. Then I think that the State would have to be prepared to terminate the program at that date, or to look for some other form of financing, but I think that this could be worked out administratively. I think it is worth a risk in answer to your specific question.

Senator NELSON. Based on your exprience, you would like to see this flexibility and you would have confidence that you would have no problem with it at all?

Mr. HELSBY. That is right, sir.

Senator NELSON. I appreciate very much that suggestion.

At this point in the record, we will include the list of projects in progress that was referred to earlier.

Projects in progress, Dec. 31, 1964, New York State Department of Labor, Office of Manpower Development

MT-1 No.	OMAT project No.	Control office	Title	Number workers to be trained	Training duration (weeks)	Initial enrollment current sections	Date started	Remarks
105	NY-232	New York City	Machine operator, general	150	30	104	June 29, 1964	3d to 6th of 6 sections.
115	NY-231	do	Bookkeeping machine operator I	105	30	46	do	4th to 6th of 6 sections.
118	NY-209	do	Electric machine computer	80	26	26	Oct. 5, 1964	4th of 4 sections.
142	NY-252	do	Stenographer	125	27	25	July 27, 1964	5th of 5 sections.
145	NY-220	do	Offset pressman	90	17	20	Oct. 19, 1964	10th to 12th of 15 sections.
146	NY-279	do	Meat cutter (youth)	60	16	21	Nov. 2, 1964	3d of 3 sections.
150	NY(R)5-078	do	Preparation man (printing and publishing) II upgrading.	73	16	24	Nov. 16, 1964	1st of 3 sections.
154	NY-281	do	Electronics mechanic (youth)	75	35	50	June 29, 1964	1st to 3d of 3 sections.
156	NY-277	do	Machine operator, general	45	16	15	Sept. 28, 1964	5th and 6th of 6 sections.
157	NY-278	do	Auto service station mechanic	45	16	15	do	Do.
182	NY-316	do	Office machine operating (orientation) (youth)	30	18	15	Oct. 19, 1964	1st of 2 sections.
191	NY(R)5-064	do	Meatcutter	60	16	19	Nov. 2, 1964	1st of 3 sections.
192	NY(R)5-001	do	Optometrist	20	100	10	July 6, 1964	
195	NY-301	do	Teacher, education	100	9		(1)	2d of 4 sections.
196	NY(R)5-031	do	Typist	700	16	173	Sept. 21, 1964	1st to 8th of 20 sections.
012	NY(R)5-072	do	Office machines serviceman	75	42	50	Nov. 2, 1964	1st to 2d of 3 sections.
021	NY(R)5-049	do	Orderly (medical service)	500	6	72	Nov. 23, 1964	11th to 16th of 42 sections.
029	NY(YM)5-019	do	Mobilization for youth	2,000	26		(1)	2d section.
034	NY(R)5-018	do	Nurse, practical, licensed	600	43	438	Sept. 28, 1964	1st to 36th of 50 sections.
042	NY(R)5-065	do	Stenographer	175	30	125	Nov. 2, 1964	1st to 5th of 7 sections.
203	NY-4	Troy	do	40	23			2d section, pending cancellation.
213	NY-26	Albany	Typist	100	12			Do.
217	NY-268	do	Cook	30	24	15	Sept. 14, 1964	2d of 2 sections.
223	NY(R)5-009	Poughkeepsie	Nurse, practical, licensed	48	46	48	Aug. 17, 1964	
230	NY-248	do	Stenographer	20	25	20	Sept. 21, 1964	
231	NY-305	Hudson	Nurse, practical, licensed	24	49	24	July 27, 1964	1st and 2d sections.
232	NY-284	Schenectady	Auto mechanic	30	21	15	Sept. 21, 1964	1st of 2 sections.
233	NY(R)5-024	Hudson	do	40	23	16	do	Do.
234	NY-310	Troy	Oil burner installation and serviceman	30	12	13	Oct. 13, 1964	Do.
237	NY-286	Glens Falls	Electric appliance serviceman	24	15	12	Oct. 19, 1964	2d of 2 sections.
238	NY(R)5-027	Kingston	Auto body repairman, metal	40	21	14	Sept. 28, 1964	1st of 2 sections.
239	NY(R)5-030	Plattsburgh	Stenographer	40	33	42	do	1st to 2d of 2 sections.
240	NY-302	Glens Falls	Auto mechanic	15	32	15	July 27, 1964	
241	NY(R)5-059	Schenectady	Meat cutter	30	18	15	Oct. 26, 1964	1st of 2 sections.
243	NY-324	Albany	Auto body repairman, metal	30	32	14	July 27, 1964	Do.
249	NY(R)5-041	Plattsburgh	Nurse, practical, licensed	24	43	24	Sept. 28, 1964	1st to 2d of 2 sections.
251	NY(R)5-013	Albany	Auto mechanic	40	32	30	July 27, 1964	Do.
256	NY(R)5-088	Poughkeepsie	Key punch operator	45	10	15	Nov. 30, 1964	1st of 3 sections.
258	NY(R)5-087	Glens Falls	Cook	12	27	12	do	

See footnotes at end of table.

Projects in progress, Dec. 31, 1964, New York State Department of Labor, Office of Manpower Development—Continued

MT-1 No.	OMAT project No.	Control office	Title	Number workers to be trained	Training duration (weeks)	Initial enroll-ment current sections	Date started	Remarks
305	NY-50	Utica	Sewing machine operator	180	4			10th to 12th sections, pending cancellation.
306	NY-280	do	Cashier II	105	3			7th section to start Jan. 4, 1965.
311	NY-221	Rome	Auto mechanic	30	40	15	July 20, 1964	2d of 2 sections.
315	NY-203	do	Nurse, practical, licensed	48	48	25	July 27, 1964	3d to 4th of 4 sections.
316	NY-227	Herkimer	do	48	43	24	Aug. 24, 1964	Do.
325	NY(R)5-034	Amsterdam	Auto mechanic	18	30	18	Nov. 16, 1964	
328	NY(R)5-057	Herkimer	Farm equipment mechanic	15	40	15	Oct. 19, 1964	
329	NY-293	Massena	do	41	31	40	Aug. 10, 1964	1st to 2d of 2 sections.
330	NY-288	do	Auto mechanic	51	32	35	July 27, 1964	1st to 2d of 3 sections.
331	NY-306	do	Oil burner installation and service man	26	26	13	Sept. 14, 1964	1st of 2 sections.
333	NY-292	do	Auto body repairman, metal	34	33	17	Sept. 8, 1964	Do.
335	NY-307	do	Stenographer	45	34	45	July 13, 1964	1st to 2d of 2 sections.
338	NY-314	Malone	Nurse, practical, licensed	36	43	40	Aug. 3, 1964	1st to 3d of 3 sections.
339	NY(R)5-010	Utica	Auto mechanic	16	43	17	Sept. 28, 1964	
340	NY(R)5-004	Ogdensburg	Nurse, practical, licensed	24	43	26	Aug. 3, 1964	1st to 2d of 2 sections.
341	NY(R)5-003	Amsterdam	do	26	48	24	do	Do.
342	NY(R)5-054	Utica	Auto service station attendant	48	12	15	Oct. 19, 1964	1st of 3 sections.
344	NY(R)5-044	do	Cook	17	30	17	Sept. 21, 1964	
346	NY(R)5-085	do	Machine operator, general	40	16	17	Nov. 16, 1964	1st of 2 sections.
416	NY-242	Cortland	Machine operator, general (orientation)	120	8	7	Nov. 23, 1964	6th of 8 sections.
423	NY-266	Syracuse	Stenographer	75	33	27	Oct. 19, 1964	2d of 3 sections.
426	NY-270	Watertown	Nurse, practical, licensed	48	46	24	July 27, 1964	2d to 4th of 4 sections.
428	NY-271	Oswego	do	33	46	31	July 27, 1964	1st to 3d of 3 sections.
429	NY-290	Watertown	Tailor II	10	17	8	Sept. 28, 1964	
430	NY-287	Lowville	Nurse, practical, licensed	24	48	24	Aug. 3, 1964	
431	NY-259	Auburn	do	30	40	16	May 4, 1964	2d of 2 sections.
[2] 432	NY(R)5-062	Watertown	Auto machanic	20	30	17	Dec. 7, 1964	
433	NY(R)5-012	Syracuse	Policy rater, insurance	24	16	24	Oct. 26, 64	
438	NY(R)5-055	Cortland	Auto mechanic	30	30	12	Nov. 30, , 964	1st of 2 sections.
441	NY(R)5-020	Oneida	Woodworking machine operator	15	27	13	Sept. 28, 1964	
443	NY(R)5-050	Watertown	Machine operator, general	20	33	22	Oct. 5, 1964	
444	NY(R)5-036	Syracuse	Baker	21	37	21	Oct. 10, 1964	
445	NY(R)5-073	Auburn	Nurse, practical, licensed	45	43	15	Oct. 19, 1964	1st of 3 sections.
446	NY(R)5-063	Syracuse	Nurse aide	120	5	19	Nov. 16, 1964	1st to 2d of 10 sections.
452	NY(Y)5-074	do	Electrical appliance serviceman	50	26	28	Oct. 26, 1964	
515	NY-300	Rochester	Multioccupations (youth)	1,000				See individual projects.
517	NY-300-02	do	Clerical and public contact	(375)	13	91	Oct. 8, 1964	3d to 6th of 15 sections.
[3] 518	NY-300-17	do	Service—Broad training, including basics	(88)	10	38	Dec. 14, 1964	1st to 2d of 4 sections.

519	NY-300-14	do	Metal machining	(200)	13	56	Oct. 29, 1964	3d to 4th of 8 sections.
520	NY-300-05	do	Auto service (broad training)	(100)	13	22	Oct. 8, 1964	2d of 4 sections.
522	NY-300-01	do	Nurse, practical, licensed	(48)	48	48	July 13, 1964	1st to 4th of 4 sections.
523	NY-300-03	do	Clerk-typist	(80)	18	37	Oct. 22, 1964	2d to 3d of 4 sections.
524	NY-300-08	do	Household technician	(30)	6	12	Nov. 23, 1964	2d of 2 sections.
525	NY-300-16	do	Machine operator, general	(175)	20	44	Nov. 10, 1964	1st to 3d of 7 sections.
526	NY-300-15	do	Auto mechanic	(30)	25	15	Aug. 3, 1964	1st of 2 sections.
540	NY-300-10	do	Litho-duplicator operator	(45)	13	12		2d of 4 sections to start Jan. 4, 1965
542	NY-300-04	do	Stenographer	(120)	25	30	Aug. 3, 1964	1st of 4 sections.
549	NY-300-07	do	Draftsman	(20)	50	15	Aug. 10, 1964	
550	NY-300-11	do	Beauty operator	(32)	41	16	Sept. 14, 1964	1st of 2 sections.
529	NY-282	do	Nurse, practical licensed	25	47	25	Aug. 10, 1964	1st to 2d of 2 sections.
530	NY-311	Geneva	Machine operator, general	60	12	15	Oct. 19, 1964	2d of 4 sections.
531	NY(R)5-047	do	Welder, combination	60	12	12	Nov. 9, 1964	1st of 5 sections.
534	NY(R)5-048	do	Auto mechanic	50	18	17	Nov. 30, 1964	1st of 3 sections.
536	NY(R)5-032	Dansville	do	20	30	22	Oct. 5, 1964	
609	NY-241	Buffalo	Clerk-typist (refresher)	90	12			3d section, pending cancellation.
613	NY-223	do	Nurse, practical licensed	48	46	24	July 6, 1964	3d to 4th of 4 sections.
614	NY-296	do	Cook	45	20	16	Dec. 7, 1964	2d of 3 sections.
617	NY-289	Jamestown	Woodworking machine operator	30	17			2d of 2 sections to start in 1965.
620	NY-291	Buffalo	Welder, combination	30	8	11	Nov. 9, 1964	3d of 3 sections.
622	NY-308	Dunkirk	Nurse, practical licensed	24	46	24	Aug. 3, 1964	
626	NY-317	Buffalo	Machine operator, general	45	13	18	Oct. 13, 1964	2d of 3 sections.
628	NY(R)5-029	do	Auto service station mechanic	180	10	6	Nov. 2, 1964	2d of 5 sections.
631	NY(R)5-025	Tonawanda	Nurse, practical licensed	48	43	47	Sept. 28, 1964	
636	NY(R)5-040	Buffalo	do	60	43	60	do	1st to 2d of 2 sections.
715	NY(R)5-021	Binghamton	Auto body repairman, metal	13	24	12	Oct. 5, 1964	
719	NY-267	Wellsville	Welder, combination	45	12	15	Oct. 26, 1964	3d of 3 sections.
720	NY-295	do	Auto service station attendant	20	7	10	Nov. 9, 1964	1st of 2 sections.
722	NY-285	do	Sheetmetal worker	40	20	16	Nov. 2, 1964	Do.
728	NY-303	Hornell	Nurse, practical licensed	30	49	30	July 27, 1964	1st to 2d of 2 sections.
732	NY(R)5-033	do	Auto mechanic	18	43	18	Oct. 5, 1964	
734	NY-299	Ithaca	Stenographer (refresher)	20	18	15	Sept. 9, 1964	
735	NY-312	do	Stenographer	20	33	20	do	
738	NY(R)5-022	Binghamton	Draftsman trainee	18	24	21	Oct. 5, 1964	
740	NY(R)5-038	do	Machine operator, general	36	23	22	do	1st of 2 sections.
811	NY-216	Freeport	Auto body repairman, metal	150	12		do	9th of 10 sections to start Jan. 18, 1965.
813	NY-218	Bayshore	Nurse, practical, licensed	174	46	89	July 6, 1964	5th to 14th of 14 sections.
814	NY-297	Hempstead	Sandblaster, glass (demonstration)	40	52	11	Feb. 4, 1964	
815	NY-298	do	Key punch operator (demonstration)	60	52	8	do	
818	NY(R)5-051	Hicksville	Plumber, maintenance	28	13	13	Oct. 19, 1964	1st of 2 sections.
819	NY(R)5-035	Freeport	Household appliance repairman	30	20	16	Sept. 21, 1964	1st of 2 sections.
821	NY(R)5-056	Hempstead	Auto mechanic	145	15	35	Nov. 2, 1964	1st to 2d of 8 sections.
823	NY(R)5-058	do	Stenographer	75	33	58	Sept. 28, 1964	1st to 3d of 3 sections.
824	NY(R)5-061	do	Typist	120	16	51	Nov. 16, 1964	1st to 2d of 4 sections.
825	NY(R)5-045	Freeport	Auto body repairman, metal	54	12	18	Oct. 13, 1964	1st of 3 sections.

See footnotes at end of table.

Projects in progress, Dec. 31, 1964, New York State Department of Labor, Office of Manpower Development—Continued

MT-1 No.	OMAT project No.	Control office	Title	Number workers to be trained	Training duration (weeks)	Initial enrollment current sections	Date started	Remarks
[2] 826	NY(R)5-083	Hempstead	Litho-duplicator operator	100	16	29	Dec. 14, 1964	1st to 2d of 5 sections.
[2] 827	NY(R)5-066	Patchogue	Nurse aid	150	5	11	do	
[2] 897	NY(R)5-075	Statewide	Various	200	35		([3])	
902	NY-8	Yonkers	Auto mechanic	60	25			4th section, pending cancellation.
910	NY-46	Middletown	Sewing machine operator	160	4			5th to 8th sections, pending cancellation.
912	NY-39	Yonkers	do	260	4			7th to 13th sections, pending cancellation.
913	NY-52	do	Clerk-typist	350	12			7th to 14th sections, pending cancellation.
914	NY-51	do	Stenographer	125	26			3d to 5th sections, pending cancellation.
916	NY-38	Port Jervis	Sewing machine operator	120	4			5th to 6th sections, pending cancellation.
917	NY-226	Spring Valley	Nurse, practical, licensed	48	39	23	Aug. 3, 1964	3d to 4th of 4 sections.
919	NY-205	Peekskill	do	49	48	20	July 27, 1964	Do.
925	NY-304	Newburgh	do	36	50	27	do	1st to 3d or 3 sections.
926	NY(R)5-005	Middletown	do	26	46	24	do	
929	NY(R)5-091	White Plains	Stenographer	100	30	20	Nov. 18, 1964	1st of 4 sections.
932	NY(R)5-043	Middletown	Auto mechanic	30	27	11	Oct. 5, 1964	1st of 2 sections.
933	NY(R)5-076	New Rochelle	Nurse aid-orderly	100	5	21	Nov. 30, 1964	1st of 5 sections.
			Total, 126 projects	12,168		3,663		
	ARA-037	Malone	Stitcher	84	8	14	Nov. 30, 1964	3d of 6 sections.
	ARA-535	Gloversville	Pique sewing machine operator	48	12			3d section to start in March.
			Total, 128 projects	12,300		3,677		

[1] Information not available.
[2] Denotes change from previous roster.
[3] Varies.

Approved projects not started

MT-1 No.	OMAT project No.	Control office	Title	Number workers to be trained	Training duration (weeks)	Approval date	Expected starting date
112	NY(R)5-028	New York City	Auto radiator man	48	6	Aug. 12, 1964	Indefinite.
129	NY(R)5-007	do	Cashier, front office; night auditor and room clerk	176	8	Dec. 2, 1964	Jan. 18, 1965.
149	NY(R)5-023	do	Key punch operator	85	8	Oct. 15, 1964	Information not available.
151	NY(R)5-008	do	Maintenance man, building	60	20	July 8, 1964	Indefinite.
152	NY(R)5-014	do	Housekeeper	60	20	do	Do.
167	NY(R)5-053	do	Auto service station attendant	60	32	Oct. 15, 1964	Do.
[1] 186	NY(R)5-102	do	Camera repairman	25	17	Dec. 2, 1964	Jan. 8, 1965.
001	NY(R)5-071	do	Auto mechanic	30	34	Oct. 15, 1964	Information not available.
022	NY(ED)5-037	do	Various occupations—Federation of the Handicapped	200	10	Aug. 13, 1964	Do.
028	NY(ED)5-026	do	Youth case aid	60	13	July 31, 1964	Indefinite.
7000	NY(MY)5-067	do	Multioccupations (youth)	2,855	(3)	Sept. 24, 1964	Information not available.
7001	NY(MY)5-067-001	do	Auto service station attendant	(255)	20	Nov. 10, 1964	Do.
7002	NY(MY)5-067-002	do	Building service (broad training)	(135)	20	do	Do.
[1] 7003	NY(MY)5-067-003	do	Commercial (basic training)	(1,000)	20	Dec. 16, 1964	Jan. 30, 1965.
7005	NY(MY)5-067-005	do	Distributive (broad training)	(675)	20	Nov. 16, 1964	Information not available.
7006	NY(MY)5-067-006	do	Electronics (broad training)	(30)	20	do	Do.
7007	NY(MY)5-067-007	do	Food preparation—service (broad training)	(330)	20	do	Do.
7008	NY(MY)5-067-008	do	Orderly (medical service)	(75)	20	Nov. 10, 1964	Do.
7009	NY(MY)5-067-009	do	Machine shop (broad training)	(420)	20	Nov. 16, 1964	Do.
7010	NY(MY)5-067-010	do	Merchandising (broad training)	(375)	20	do	Do.
7011	NY(MY)5-067-011	do	Metal fabrication (broad training)	(75)	20	do	Do.
7013	NY(MY)5-067-013	do	Silk screen printer	(30)	20	do	Do.
7060	NY(M)5-068	do	Multioccupations (adult)	1500	(3)	Sept. 24, 1964	Do.
7061	NY(M)5-068-001	do	Auto service station attendant	(105)	20	Nov. 10, 1964	Do.
7062	NY(M)5-068-002	do	Building service (broad training)	(225)	20	do	Do.
[1] 7063	NY(M)5-058-003	do	Commercial (basic training)	(425)	20	Dec. 16, 1964	Jan. 8, 1965.
7065	NY(M)5-068-005	do	Distributive (broad training)	(210)	20	Nov. 16, 1964	Information not available.
7066	NY(M)5-068-006	do	Electronics (broad training)	(30)	20	do	Do.
7067	NY(M)5-068-007	do	Food preparation—service (broad training)	(180)	20	do	Do.
7068	NY(M)5-068-008	do	Orderly (medical service)	(225)	20	Nov. 10, 1964	Do.
7069	NY(M)5-068-009	do	Machine shop (broad training)	(60)	20	Nov. 16, 1964	Do.
7070	NY(M)5-068-010	do	Merchandising (broad training)	(150)	20	do	Do.
7071	NY(M)5-068-011	do	Metal fabrication (broad training)	(60)	20	do	Do.
7073	NY(M)5-068-013	do	Silkscreen printer (broad training)	(15)	20	do	Do.
[1] 7074	NY(M)6-068-014	do	Woodworking (basic training)	(60)	20	Dec. 16, 1964	Jan. 2, 1965.
[1] 235	NY(R)5-097	Troy	Electrical appliance repairman	30	13	Dec. 2, 1964	Jan. 4, 1965.
242	NY(R)5-052	Kingston	Polisher II	20	12	Sept. 2, 1964	Pending cancellation.
[1] 244	NY(R)5-093	do	Farm equipment mechanic	30	30	Dec. 2, 1964	Information not available.

Footnotes at end of table.

Approved projects not started—Continued

MT-1 No.	OMAT project No.	Control office	Title	Number workers to be trained	Training duration (weeks)	Approval date	Expected starting date
245	NY(R)5-039	do	Stenographer	25	33	Oct. 27, 1964	Jan. 4, 1965.
[1] 246	NY(R)5-104	Poughkeepsie	Auto mechanic	36	30	Dec. 16, 1964	Jan. 11, 1965.
[1] 247	NY(R)5-105	do	Machine operator, general	42	22	do	Information not available.
[1] 254	NY(R)5-106	Albany	Key punch operator	216	8	do	Feb. 8, 1965.
[1] 260	NY(R)5-098	do	Clerk-typist	25	16	do	Jan. 4, 1965.
[1] 319	NY(R)5-092	Utica	Upholsterer	12	31	Dec. 2, 1964	Do.
334	NY(R)5-080	do	Litho-duplicator operator	20	12	Oct. 27, 1964	Jan. 11, 1965.
[1] 337	NY(R)5-094	Massena	Household appliance repairman	20	21	Dec. 2, 1964	Feb. 1, 1965.
[1] 347	NY(R)5-103	do	Cook	15	26	Dec. 16, 1964	Information not available.
[1] 451	NY(R)5-107	Watertown	Nurse, licensed, practical	35	45	do	Feb. 1, 1965.
545	NY-300-12	Rochester	Cook	(30)	22	Oct. 15, 1964	Mar. 10, 1965.
547	NY-300-13	do	Waiter-waitress	(30)	6	do	Feb. 22, 1965.
548	NY-300-06	do	Auto body repairman	(20)	25	July 15, 1964	Jan. 4, 1965.
551	NY-300-09	do	Electronics mechanic	(15)	50	do	Indefinite.
532	NY(R)5-082	Batavia	Welder, combination	27	10	Oct. 27, 1964	Jan. 4, 1965.
533	NY(R)5-046	Geneva	Sheetmetal worker—all equipment obtained on referrals	30	10	Sept. 3, 1964	Jan. 25, 1965.
[1] 535	NY(R)5-096	Newark	Auto mechanic	30	31	Dec. 2, 1964	Jan. 4, 1965.
537	NY(R)5-070	Geneva	Carpenter, construction	30	9	Oct. 27, 1964	Do.
621	NY-283	Jamestown	Machine operator, general (youth)	20	7	Mar. 25, 1964	Information not available.
630	NY(R)5-081	do	Draftsman	15	30	Oct. 27, 1964	Jan. 4, 1965.
716	NY(R)5-069	Elmira	Nurse aid-orderly	48	6	Oct. 15, 1964	Information not available.
723	NY-273	Olean	Transformer assembler II, equipped	76	8	Jan. 24, 1964	Pending cancellation.
736	NY-313	Ithaca	Clerk-typist	24	17	June 10, 1964	Jan. 20, 1965.
[1] 739	NY(R)5-086	Corning	Machine operator, general	60	15	Dec. 16, 1964	Jan. 11, 1965.
[1] 741	NY(R)5-099	Elmira	Stenographer	40	33	do	Jan. 18, 1965.
[1] 742	NY(R)5-095	do	Welder combination (entry)	24	16	do	Information not available.
[1] 922	NY(R)5-098	White Plains	Nurse, practical, licensed	24	43	Dec. 2, 1964	Jan. 18, 1965.
[1] 928	NY(R)5-090	do	Typist	150	16	do	Jan. 4, 1965.
[1] 931	NY(R)5-100	Yonkers	Auto mechanic	30	26	do	Do.
[1] 934	NY(R)5-101	do	Oil burner service and installation man	25	30	do	Jan. 11, 1965.
			Total, 41 projects	6,338			

[1] Denotes change from previous roster.
[2] Varies.

NOTE.—Offices having potential candidates for listed projects should contact offices listed under location.

Proposals processed to education department

MT-1 No.	Control office	Title	Estimated number of workers needed	Date transmitted to education	Status
113	New York City	Traffic device maintainer.	35	June 29, 1963	
123	do	Engraving press operator.	34	July 18, 1963	
126	do	Diemaker	62	May 2, 1963	
133	do	Auto service station attendant.	75	Oct. 1, 1963	
134	do	Screw machine operator (Brown & Sharpe).	87	Aug. 14, 1964	
135	do	Screw machine operator, automatic (Swiss type).	50	July 18, 1963	
140	do	Welder, combination (orientation).	50	Dec. 12, 1963	
169	do	Auto seat cover installer (auto service).	57	Aug. 19, 1964	
176	do	Sewing machine repairman.	36	Apr. 27, 1964	
179	do	Heliarc welder	32	Jan. 29, 1964	
181	do	Office machine operator (orientation) (youth).	40	do	
184	do	Varitypist (clerical)	24	Mar. 11, 1964	
185	do	Plastic bag machine operator.	34	July 2, 1964	
189	do	Siding applicator (entry).	51	Sept. 14, 1964	
[1] 008	do	Grocery checker	140	Dec. 1, 1964	
017	do	Multioccupational (out-of-school youth).	300+	May 11, 1964	
018	do	Dental assistant	126	Nov. 20, 1964	
020	do	Electronic mechanic, computer.	131	July 23, 1964	
023	do	Stenographer (upgrading).	525	July 2, 1964	
025	do	Optician, dispersing	39	Nov. 19, 1964	
026	do	Benchman, optical goods.	20	Oct. 26, 1964	
027	do	Auto body repairman, metal (painter).	62	July 23, 1964	
036	do	Coin machine serviceman (jukebox).	12	Nov. 6, 1964	
038	do	Oil burner installation and serviceman.	57	Sept. 17, 1964	
040	do	Edge stitchers, fancy, vamping.	50	Oct. 15, 1964	
041	do	Cutter, machine	20	do	
[1] 048	do	Orthopedic appliance and limb technician (surgical appliance (entry).	30	Dec. 1, 1964	
049	do	Locksmith (entry)	22	Nov. 20, 1964	
[1] 055	do	Washing machine serviceman (entry).	40	Dec. 14, 1964	
226	Albany	Nurse, practical, licensed.	100	Nov. 14, 1963	
248	Kingston	Oil burner service and installation man.	35	June 25, 1964	
253	Albany-Troy-Schenectady-Saratoga.	Multioccupational (youth).	500	Aug. 14, 1964	
[1] 253-01	Albany	Medical service	(90)	Dec. 10, 1964	Received in OMD Dec. 4, 1964.
[1] 253-02	do	Office occupations	(100)	do	Do.
[1] 253-03	do	Public contact	(60)	Dec. 17, 1964	Received in OMD Dec. 9, 1964.

See footnotes at end of table.

Proposals processed to education department—Continued

MT-1 No.	Control office	Title	Estimated number of workers needed	Date transmitted to education	Status
[1] 253-04	Albany	Food preparation, service.	(90)	Dec. 31, 1964	Received in OMD Dec. 11, 1964.
[1] 253-05	do	Auto service	(45)	do	Received in OMD Dec. 16, 1964.
[2] 253-06	do	Manipulative occupations.	(40)	Nov. 25, 1964	
253-A	do	Nurse aid-orderly	(40)	Aug. 24, 1964	
253-B	do	Clerk-typist	(25)	Oct. 6, 1964	
253-C	do	Machine operator, general.	(25)	Oct. 30, 1964	
253-D	do	Presser, machine	(20)	Nov. 25, 1964	
253-E	do	Short presser	(20)	do	
[1] 253-G	do	Nurse, practical, licensed.	(50)	Dec. 10, 1964	Received in OMD Dec. 4, 1964.
[1] 253-H	do	Key punch operator	(50)	Dec. 9, 1964	Do.
[1] 253-I	do	Stenographer	(25)	Dec. 10, 1964	Do.
[1] 253-J	do	Grocery checker	(30)	Dec. 17, 1964	Received in OMD Dec. 9, 1964.
[1] 253-K	do	Sales clerk	(30)	do	Do.
[1] 253-L	do	Kitchen helper	(15)	Dec. 31, 1964	Received in OMD Dec. 11, 1964.
[1] 253-M	do	Cook	(15)	do	Do.
[1] 253-P	do	Auto service station attendant.	(30)	do	Rec'd in OMD Dec. 16, 1964.
[1] 253-Q	do	Auto service station mechanic.	(15)	do	Do.
[1] 253-R	do	Maid, general	(30)	Dec. 17, 1964	Rec'd in OMD Dec. 9, 1964.
259	Poughkeepsie	Cablemaker II	40	Sept. 30, 1964	
261	Troy	Machine operator, general.	30	Oct. 6, 1964	
265	Albany	Multioccupational (adult).	250	Nov. 9, 1964	
323	Utica	Nurse, practical, licensed.	54	June 24, 1963	
324	do	Airplane mechanic	57	July 18, 1963	
326	Amsterdam	Oil burner installation and service man.	20	Nov. 14, 1963	
332	Utica	Auto body repairman, metal.	58	Jan. 29, 1964	
343	do	Sheet metal worker, aircraft II.	20	July 14, 1964	
345	do	Multioccupational (youth).	500	Aug. 14, 1964	
348	Amsterdam	Machine operator, general.	36	Oct. 21, 1964	
349	Herkimer	Electronic subassembler.	91	do	
350	do	Electonic final assembler.	115	do	
351	Utica	Multioccupational (adult).	600	Nov. 17, 1964	
352	do	Medical laboratory assistant.	21	Nov. 19, 1964	
[1] 353	Rome	Welder, combination	27	Dec. 11, 1964	Received in OMD Dec. 3, 1964.
424	Cortland	Auto service station, mechanic.	48	Feb. 25, 1964	
435	Syracuse	Auto mechanic	43	June 9, 1964	
437	do	Nurse, practical, licensed.	102	do	
447	do	Shirt presser	55	Aug. 21, 1964	
448	Watertown	Farmhand, dairy	46	Nov. 2, 1964	
450	Syracuse	Multioccupational (adult).	500	Oct. 30, 1964	
450-01	do	Medical service	(55)	Nov. 20, 1964	
450-02	do	Office occupations	(60)	Nov. 25, 1964	
450-03	do	Public contact	(90)	Nov. 20, 1964	
450-04	do	Food service, preparation.	(100)	Dec. 1, 1964	

See footnotes at end of table.

Proposals processed to education department—Continued

MT-1 No.	Control office	Title	Estimated number of workers needed	Date transmitted to education	Status
[1] 450-05	Syracuse	Auto service	(85)	Dec. 1, 1964	
450-06	do	Metal trades	(60)	Nov. 20, 1964	
450-07	do	Electrical repair	(50)	Nov. 24, 1964	
[1] 450-08	do	Nurse, licensed, practical.	(20)	Dec. 11, 1964	Received in OMD Dec. 3, 1964.
[1] 450-09	do	Nurse aid-orderly	(20)	Dec. 17, 1964	Received in OMD Dec. 4, 1964.
[1] 450-11	do	Typist	(15)	do	Received in OMD Dec. 7, 1964.
[1] 450-13	do	Traffic rate clerk	(10)	Dec. 29, 1964	Received in OMD Dec. 8, 1964.
511	Dansville	Nurse, practical, licensed.	63	Nov. 13, 1963	
528	Batavia	Machine operator, general (revised).	46	Apr. 8, 1964	
538	do	Nurse, practical, licensed.	61	June 17, 1964	
541	Rochester	Teller (banking)	(30)	June 23, 1964	
552	do	Medical laboratory assistant.	(10)	Aug. 19, 1964	
553	do	Medical technician	(10)	do	
554	do	Chemical assistant	(20)	Oct. 30, 1964	
555	do	Floor layer	40	Nov. 20, 1964	
[1] 556	Batavia	Auto mechanic	40	Dec. 11, 1964	
632	Buffalo	Medical laboratory assistant.	108	June 9, 1964	
634	do	Multioccupational (youth).	1,000	July 29, 1964	
634-01	do	Medical service	(115)	Oct. 30, 1964	
634-02	do	Office occupations	(120)	do	
634-03	do	Public contact	(180)	do	
634-04	do	Food service preparation.	(210)	do	
634-05	do	Auto service	(165)	do	
634-06	do	Metal trades	(150)	do	
634-07	do	Electrical repair	(60)	do	
634-08	do	Orderly-nurse aid	(25)	do	
634-09	do	Nurse, licensed practical.	(30)	do	
634-10	do	Medical laboratory assistant.	(60)	do	
634-11	do	Stenographer	(30)	do	
634-12	do	Medical secretary	(15)	do	
634-13	do	Clerk-typist	(30)	do	
634-14	do	Ward clerk	(15)	do	
634-15	do	Medical record clerk	(30)	do	
634-16	do	Cashier II	(40)	do	
634-17	do	Grocery checker	(50)	do	
634-18	do	Sales clerk	(50)	do	
634-19	do	Sales (metal trade)	(40)	do	
634-20	do	Waiter, waitress	(90)	do	
634-21	do	Pantryman	(20)	do	
634-22	do	Cook, short order	(35)	do	
634-23	do	Cook	(25)	do	
634-24	do	Auto service station mechanic.	(50)	do	
634-25	do	Auto mechanic (entry).	(50)	do	
634-26	do	Auto body repairman (helper).	(30)	do	
634-27	do	Machine operator, general (entry).	(60)	do	
364-28	do	Welder, combination (entry).	(90)	do	
364-29	do	Electric appliance serviceman.	(20)	do	
634-30	do	Electric motor repairman (entry).	(10)	do	
634-31	do	Electronic mechanic (entry).	(15)	do	
634-32	do	Television service and repairman.	(15)	do	

See footnotes at end of table.

Proposals processed to education department—Continued

MT-1 No.	Control office	Title	Estimated number of workers needed	Date transmitted to education	Status
[1] 634-33	Buffalo	Draftsman, trainee	(25)	Dec. 7, 1964	Combined with 634-34.
637	do	Auto body repairman	48	Aug. 24, 1964	
708	Elmira	Medical technologist	11	June 12, 1963	
725	Binghamton	Oil burner installation and serviceman.	35	Nov. 15, 1963	
731	Elmira	Nurseryman I	51	Feb. 11, 1964	
737	Corning	Auto mechanic	17	Aug. 3, 1964	
[1] 744	Binghamton	Multioccupational (youth).	345	Dec. 10, 1964	
[1] 744-01	do	Office occupations	(45)	Dec. 17, 1964	Received in OMD Dec. 8, 1964.
[1] 744-02	do	Public contact	(55)	do	Do.
[1] 744-03	do	Food preparation, service.	(50)	Dec. 30, 1964	Received in OMD Dec. 9, 1964.
[1] 744-04	do	Auto service	(45)	do	Do.
[1] 744-05	do	Metal machining and related.	(85)	do	Received in OMD Dec. 11, 1964.
[1] 744-06	do	Nurse aid-orderly	(30)	do	Received in OMD Dec. 16, 1964.
[1] 744-07	do	Machine presser (including basics).	(25)	do	Do.
[1] 744-08	do	Household technician (including basics).	(15)	do	Do.
[1] 744-09	do	Maintenance technician (including basics).	(15)	do	Received in OMD Dec. 17, 1964.
[1] 744-10	do	Stock clerk	(15)	do	Received in OMD Dec. 18, 1964.
[1] 744-11	do	Clerk-typist	(15)	do	Do.
[1] 744-12	do	Stenographer	(15)	do	Do.
[1] 744-13	do	Grocery checker	(55)	do	Do.
[1] 744-14	do	Sales clerk	(55)	do	Do.
[1] 745	Wellsville	Machine operator, general.	40	do	Received in OMD Dec. 9, 1964.
[1] 746	do	Welder, combination (entry).	30	do	Do.
[1] 747	Ithaca	Key punch operator (entry).	40	do	Do.
814	Bayshore	Baker	24	Jan. 31, 1964	
820	Hempstead	Multioccupational (youth).	700	Nov. 20, 1964	
[1] 820-1	do	Medical service	(100)	Dec. 17, 1964	Received in OMD Dec. 7, 1964.
828	do	Presser, machine	75	Sept. 23, 1964	
829	Freeport	Sheetmetal fabrication machine operator.	100	Oct. 6, 1964	
831	Bayshore	Presser, machine	75	Oct. 8, 1964	
832	Hempstead	Multioccupational (adult).	250	Nov. 20, 1964	
833	Hicksville	Dental assistant	100	do	
835	do	Electric motor repairman.	20	Nov. 25, 1964	
[1] 836	do	Draftsman, mechanic	40	Dec. 17, 1964	Received in OMD Dec. 1, 1964.
[1] 837	do	Job setter	40	Dec. 10, 1964	Received in OMD Dec. 3, 1964.
[1] 927	Yonkers	Machine operator, general.	35	June 17, 1964	
930	Westchester	Multioccupational (youth).	300	Aug. 21, 1964	
935	White Plains	Key punch operator	99	Sept. 30, 1964	
[1] 938	Westchester	Multioccupational (adult).	375	Dec. 11, 1964	
	Total, 83 projects.		9,797		

[1]Denotes change from previous roster.
[2]Formerly MDT-1 253-F.

Proposals pending Office of Manpower Development approval

MT-1 No.	Control office	Title	Estimated number of workers needed	Status
[1] 009	New York City	Maintenance man, building	60	Received Dec. 1, 1964.
013	do	Office machine serviceman (youth).	37	
035	do	Library bookbinder	54	
054	do	Artificial kidney technician (medical service).	3	
[1] 056	do	Bookkeeping machine operator.	58	Received Dec. 21, 1964.
[1] 253-0	do	Waiter, watress	(30)	Received Dec. 11, 1964.
[1] 253-S	Albany	Counterman, countergirl	(30)	Do.
[1] 263	Poughkeepsie	Nurse aid-orderly	40	Received Dec. 31, 1964.
[1] 264	Glens Falls	Auto mechanic	30	Received Dec. 18, 1964.
[1] 345-A	Utica	Medical services	(100)	Received Dec. 21, 1964.
[1] 345-A-1	do	Nurse, licensed, practical	(75)	Do.
[1] 345-A-2	do	Nurse aid-orderly	(25)	Do.
[1] 345-B	do	Office occupations	(45)	Do.
[1] 345-B-1	do	Stenographer	(15)	Do.
[1] 345-B-2	do	Typist	(15)	Do.
[1] 345-B-3	do	Traffic rate clerk	(15)	Do.
[1] 345-C	do	Public contract	(100)	Do.
[1] 345-C-1	do	Grocery clerk	(25)	Do.
[1] 345-C-2	do	Cashier II	(25)	Do.
[1] 345-C-3	do	Sales clerk	(25)	Do.
[1] 345-C-4	do	Sales person, general	(25)	Do.
[1] 345-D	do	Food service, preparation	(100)	Do.
[1] 345-D-1	do	Kitchen helper	(10)	Do.
[1] 345-D-2	do	Cook helper	(10)	Do.
[1] 345-D-3	do	Meatcutter	(25)	Do.
[1] 345-D-4	do	Waiter, waitress	(25)	Do.
[1] 345-D-5	do	Baker	(10)	Do.
[1] 345-D-6	do	Cook	(20)	Do.
[1] 345-E	do	Auto services	(40)	Do.
[1] 345-E-1	do	Auto service station attendant.	(10)	Do.
[1] 345-E-2	do	Auto service station mechanic.	(10)	Do.
[1] 345-E-3	do	Auto mechanic	(10)	Do.
[1] 345-E-4	do	Auto body repairman, metal.	(10)	Do.
[1] 345-F	do	Metal trades	(45)	Do.
[1] 345-F-1	do	Machine operator, general	(15)	Do.
[1] 345-F-2	do	Welder, combination	(20)	Do.
[1] 345-F-3	do	Sheet metal worker	(10)	Do.
[1] 345-G	do	Electrical and mechanical repair.	(60)	Do.
[1] 345-G-1	do	Radio repairman I	(10)	Do.
[1] 345-G-2	do	Household appliance repairman.	(15)	Do.
[1] 345-G-3	do	Television service, repairman.	(10)	Do.
[1] 345-G-4	do	Electrical appliance serviceman.	(10)	Do.
[1] 345-G-5	do	Farm equipment repairman	(15)	Do.
[1] 345-H	do	Litho-duplicator operator (including basics).	(10)	Do.
[1] 345-I	do	Upholsterer II (including basics).	(15)	Do.
[1] 345-J	do	Tailor II (including basics)	(10)	Do.
[1] 354	Amsterdam	Sheet metal worker	30	Received Dec. 29, 1964.
434	Syracuse	Multioccupational (youth)	715	
[1] 450-12	do	Policy rater	(10)	Received Dec. 7, 1964.
[1] 450-14	do	Stenographer	(15)	Received Dec. 8, 1964.
[1] 450-15	do	Medical secretary	(10)	Received Dec. 9, 1964.
[1] 450-16	do	Cashier	(20)	Do.
[1] 450-17	do	Grocery checker	(25)	Do.
[1] 450-18	do	Sales clerk	(25)	Do.
[1] 450-19	do	Sales person, general	(20)	Do.
[1] 450-20	do	Kitchen helper	(10)	Received Dec. 11, 1964.
[1] 450-21	do	Pantryman, pantrygirl	(10)	Do.
[1] 450-22	do	Cook helper	(15)	Do.
[1] 450-23	do	Cook, short order	(10)	Do.
[1] 450-24	do	Cook	(15)	Do.
[1] 450-25	do	Countergirl, counterman, soda dispenser.	(20)	Do.
[1] 450-26	do	Waiter, waitress	(20)	Do.
[1] 557	Rochester	Multioccupational (adult)	(500)	Received Dec. 28, 1964.

[1] See footnote at end of table.

Proposals pending Office of Manpower Development approval—Continued

MT-1 No.	Control office	Title	Estimated number of workers needed	Status
[1] 744-15	Binghamton	Waiter, waitress	(20)	Received Dec. 23, 1964.
[1] 744-16	do	Kitchen helper	(30)	Do.
[1] 744-17	do	Pantryman, pantrywoman	(20)	Do.
[1] 744-18	do	Cook, short order	(10)	Do.
[1] 744-19	do	Auto service station attendant	(45)	Do.
[1] 744-20	do	Auto service station mechanic.	(25)	Do.
[1] 744-21	do	Auto mechanic (entry)	(15)	Do.
[1] 744-22	do	Auto body repairman helper, metal.	(10)	Do.
[1] 744-23	do	Metal polishers and grinders	(30)	Received Dec. 31, 1964.
[1] 744-24	do	Machine operator, general	(35)	Do.
[1] 744-25	do	Welder, combination (entry)	(20)	Do.
834	Hicksville	Electric motor repairman	0	Canceled, duplicate proposal.
[1] 838	Freeport	Refrigeration mechanic	40	Received Dec. 10, 1964.
[1] 839	Hicksville	Oil burner service and installation man.	25	Received Dec. 16, 1964.
[1] 840	Freeport	Gas engine repairman	30	Received Dec. 21, 1964.
[1] 841	do	Office machine serviceman	40	Do.
[1] 842	do	Teller (banking)	35	Received Dec. 31, 1964.
	Total, 15 projects		1,697	

[1] Denotes change from previous roster.

Senator NELSON. You may not have had enough experience with the youth side of it to answer how important job experience is, but this committee conducted some hearings last year on a proposal for hiring unskilled labor across the country in all kinds of conservation work—in the city parks, in the national forests, county parks, State parks, working on rivers, forests, parks, everything else.

Do you have any opinion as to whether or not it would be valuable if youth without work experience had an opportunity in a youth conservation work in parks, etc.? As a matter of fact, I think the mayor of New York said he could use some 10,000 people right now in his parks.

Would this be a valuable precedent to the training program?

Mr. HELSBY. Well, you will be moving into programs of this kind in the antipoverty program. These include programs such as the Job Corps and the Neighborhood Youth Corps. Those two programs, one a residential, and the other nonresidential, are the kind of programs you are talking about. Incidentally, we in the State of New York will undoubtedly be moving into programs of this kind also. I think we will have much better answers to your question when we have had some experience with these programs. But I think these two programs go into the kind of thing that you specifically have in mind.

Senator NELSON. I do not have any additional questions.

I want to thank you very much, sir, for a very fine presentation. We appreciate your being here.

Mr. HELSBY. Senator Nelson, we appreciate the opportunity to come.

Senator NELSON. For those who are interested, there will be further hearings at a subsequent date which has not yet been set.

The subcommittee stands in recess.

(Whereupon, at 11:15 a.m., the subcommittee recessed subject to the call of the Chair.)

AMENDING THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

FRIDAY, FEBRUARY 19, 1965

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 9:50 a.m., pursuant to recess, in room 4200, New Senate Office Building, Senator Jennings Randolph presiding pro tempore.

Present: Senators Randolph and Prouty.

Committee staff members present: Stewart E. McClure, chief clerk; William C. Smith, counsel to the subcommittee; and Stephen Kurzman, minority counsel.

Senator RANDOLPH. Good morning, ladies and gentlemen. Our subcommittee will resume the hearings which have been in progress to amend the Manpower Development and Training Act of 1962.

The subcommittee is considering specifically S. 974, legislation which has been presented to the Senate by the administration through the Secretary of Labor, and actually introduced by the chairman of this subcommittee, Senator Clark of Pennsylvania.

We have had testimony from Federal officials, and we continue today to receive the testimony of other authorities in this field.

We note this morning, the prior testimony of Secretary Wirtz and Senator Clark, which indicates that there are approximately 4 million unemployed persons in the United States, a figure which exists despite the recent years of economic expansion.

This is a situation which continues to plague certain industries, certain sections of the country, and it causes grave concern. We are competing, in fact, in an increasingly complex world and we must develop the skills and the talents of our citizens so that their productivity may be at the highest level.

There have been certain areas of our Nation in which the lack of employment and the underemployment of our people have been very damaging. Nevertheless, Secretary Wirtz told us of the progress which has been made since the enactment of this legislation and certainly we should emphasize these accomplishments.

Under the current training act, it was anticipated that 400,000 persons would be trained. With a year and a half remaining before the existing law expires, programs which meet the needs of 360,000 persons have been completed, are in progress, or have been approved. Seventy to seventy-five percent of those 80,000 individuals completing training have found employment.

This is very satisfying. It does spell out, in great degree, the success with the program, following enactment of the legislation.

Most of these positions or jobs were training related, and thus we can directly attribute the later employment to the benefits of this law.

It has been revealed in our subcommittee that it costs less to rehabilitate an individual than it costs to carry that person on relief. Sometimes we overlook this rather basic fact.

We did not offer the 1962 act as a panacea, as a miracle worker, but we did know that it would help alleviate unemployment, utilize available skills, and carry forward training programs to develop the talents of our citizens.

Now, as we think of the benefits, as we appraise and reappraise what has been done, we see the need to improve the program. This is our reason for the introduction of the amendments and for the current hearings.

Thomas Roumell, director and secretary of the Michigan Employment Security Commission is with us this morning. Mr. Roumell we would ask you to come to the table and proceed as you desire. You may give your statement, as you have prepared it, or you may have it considered as read by our subcommittee and then make comment on certain portions that you might feel desirable to emphasize.

Thank you, sir.

STATEMENT OF THOMAS ROUMELL, DIRECTOR, MICHIGAN EMPLOYMENT SECURITY COOMMISSION

Mr. ROUMELL. Thank you, Senator Randolph. I do prefer to pursue your latter suggestion. You do have my written statement, and it is in some detail. I had hoped that it was found to be of some use and service to the purpose of the subcommittee's hearings.

I wanted to, in my oral presentation, cover a few of the highlights which we consider very important, and which we would want to emphasize to the subcommittee.

I think it goes without the need for much explanation that we in Michigan are delighted to hear of the proposed amendments to the Manpower Development and Training Act, and are especially delighted and happy to know that the continuation of the type of training that has been heretofore conducted under the Area Redevelopment Act will continue as well as under the proposed amendments.

I think to dramatize the reasons for my statement as to our pleasure, I want to just resort to a few figures which I have here and which will indicate to you the type of activity the State of Michigan has conducted under both of these Federal laws.

Since the inception of Area Redevelopment Act and Manpower Development and Training Act, and through fiscal year 1964, in the State of Michigan we conducted 234 programs and trained 9,860 individuals for a total cost of $14 million. For this current fiscal year, 1965, what with programs already completed, in progress, or projected for the balance of the fiscal year, we will have completed 100 such programs. We will have trained 7,418 individuals and will have spent for training costs and allowances $15,300,000. By the end of fiscal year 1965, then, the State under both Area Redevelopment Act and

Manpower Development and Training Act will, since the beginning of these programs, have trained over 17,000 needy individuals.

I think one of the very important highlights, Senator Randolph, related to two things that you touched on, sir. One is the fact that the employment placement experience of these people has been highly successful. In Michigan we point with pride to the fact that we are even way above the national average in placements to date. We are placing 82 percent of all the people that we are training.

In addition to that, sir, it is most gratifying to be able to say that of the some 15,000 individuals that we have trained as of now, 1,600 of those had at one time or another been receiving public welfare or public aid and assistance.

Senator RANDOLPH. Mr. Roumell, this is very important and these figures are very impressive. I wonder, do you have information for the subcommittee on the percentage of the trainees placed, who remained employed and how long they remained in these jobs?

Mr. ROUMELL. Those figures are not available at this time, sir. We are aware——

Senator RANDOLPH. You do see the importance of following through on the 82 percent placed.

Mr. ROUMELL. Yes; we are quite aware of this and this is an item we have considered and are now in the process of developing. This is something that came to us lately and we agree wholeheartedly that this is an important thing.

It is an important thing, too, to know what happened to those other 18 percent of the total number we trained. We know that in this area many of them have dropped out of the training classes or courses because they were able to find employment on their own.

This is one explanation of that 18 percent segment, but we are interested to know what happens to the balance of that number, and we will be very happy to furnish this information, when we have it developed.

Senator RANDOLPH. Would you indicate, if you can, when you might be able to supply the subcommittee with this requested information?

Mr. ROUMELL. I could not give you an accurate answer today. I can check it out and inform Mr. Smith at the earliest possible time.

Senator RANDOLPH. I have asked this question because we had hoped to complete the record by next Wednesday. If you could supply even partial figures for inclusion in the record it would be very helpful.

Mr. ROUMELL. I can very well determine and learn what the status of this study is before I leave the city, Senator. I will be very happy to convey the information to Mr. Smith.

Senator RANDOLPH. Thank you.

(The information cannot be furnished at present since the study referred to has not yet commenced. The University of Michigan has been given a grant to make such a study and a compilation of information on the status of persons who have completed Manpower Development and Training Act training will be made every 3 months.)

Mr. ROUMELL. At this time, I would like to urge again the continuation of the concept for training under the Area Redevelopment Act. The primary reason for it is that our experience has shown that it is

training done on an economical basis in terms of cost and allowances to individuals, and it gives us a very quick opportunity to develop and train individuals in the service industry area.

This has been an experience of ours that we are happy to speak of. We have at least three industries in the Metropolitan Detroit area where we can continue training for an indefinite length of time and be able to place almost 100 percent of those trained. This would be in the restaurant and food industry, for example.

Another is the laundry and drycleaning type of industry where the need for workers is just endless. The need for nurse's aids and nurse assistants is another type of service area that we are planning now to continue our training programs and, as a matter of fact, to continue training without interruptions as long as we are able to have funds to do so.

On the two other items in the proposed amendments——

Senator RANDOLPH. Before you leave that point, I have a question. You have indicated there has been a success in the program in Michigan and you have stressed the retraining of older workers and the long-term, hard-core unemployed.

Mr. ROUMELL. Yes.

Senator RANDOLPH. We have had witnesses before our subcommittee who have indicated that our present 16-week limits on the duration of the Area Redevelopment Act training allowances should be eliminated.

One of these persons, as I recall, indicated that because it was necessary to conduct the training programs for unemployed in the Area Redevelopment Act areas for longer periods, that training in the redevelopment areas has been conducted largely under the Manpower Development and Training Act. Do you feel the 16-week limit should be eliminated?

Mr. ROUMELL. Our experience has not indicated any particular need or desire for an extension of the length of training under Area Redevelopment Act. I think it can be justified, and I think there could be good reasons for it. If it were to be extended, let us say, to another 4 weeks to make it a 20-week limit, I can see that that time could in some areas be used in remedial training such as reading and that type of assistance.

But obviously, 4 weeks is not going to make a person who needs remedial training and education an expert. The most it will do is be able to develop some special text and know-how of the individual for the particular trade that he is being trained for.

However, sir, as long as Manpower Development and Training Act is available and the limits there continue, and as I understand are planned to be expanded, I would not argue too strongly for an extension of the number of weeks training under Area Redevelopment Act.

Senator RANDOLPH. You are familiar, Mr. Roumell, with the amendments we are considering?

Mr. ROUMELL. Yes, sir.

Senator RANDOLPH. It would eliminate the 16-week period of Area Redevelopment Act and bring it under the longer flexible training period of Manpower Development and Training Act, which might be as long as 2 years.

Mr. ROUMELL. Two years, 104 weeks. Yes, sir, I understand. This would be very acceptable, but as I say——

Senator RANDOLPH. Considering your experience in Michigan, it is necessarily needed.

Mr. ROUMELL. It is not critical. That is right, sir.

Senator RANDOLPH. Thank you, sir.

Mr. ROUMELL. I wanted to touch on the extension under the proposed amendment 2 that is contemplated to extend training under Manpower Development and Training Act to 104 weeks. I think this is very desirable, and we in Michigan would be very anixous to see this come in because again for this remedial type of training that is required and is so necessary for so many of these individuals that get into these training programs.

I want to touch on finally, sir, the new concept of reducing the matching fund requirements from the one-third to the 90-to-10 basis. We in Michigan cannot urge the committee's favorable consideration of this enough. We think that the one-third matching requirement would have stifled the possibility of programs that we could have involved ourselves in Michigan. It would have reduced the number of trainees, of course, that we could reach, and the one-third requirement was going to be a very important and sizable burden upon the abilities of our State to come up with.

The 90-to-10 basis is most heartily accepted and I think the committee has received a telegram from Governor Romney to the effect that he is wholeheartedly for this as he was for the one-third, but he sees this as a much more favorable approach and a better solution to this problem.

We would like to urge the committee's consideration to a continuation of the 90-to-10 concept for at least 2 years and hopefully for 3 years. The reason for this is again for the opportunity that it will give us to continue our Manpower Development and Training Act training on a greater and wider scope.

It will do so at a time when we are in gear and able to do this with existing facilities for training. I am sure the committee is aware, this is the only area where we are able to help the hard core unemployed, the individual who is 35 years and older, and who is in a transitional state of life because of job dislocation. Manpower Development and Training Act is actually the only real benefit that we could give to the older unemployed employee.

Senator RANDOLPH. We used to use the figure of 60 or 65. Then we used the figure of 45 and now you are using the figure of 35.

Mr. ROUMELL. The difficulties for employment, sir, begin at 35, particularly in the area of unskilled individuals. The difficulty begins at the age 35 and it becomes almost insurmountable at 45, and it continues to plague the individual from there on, only to the hopeful chance that training programs of this kind can help and assist him.

Senator RANDOLPH. At this point, would you be prepared to supply figures on the cutoff point after which, generally, persons are not employed in the automobile industry?

Let us say a man has a skill, or a talent, and the job is there. At what age is the company going to say: We know you have a skill and talent and the job is there; we are not going to hire you; we are going to hire someone else who is 10 years younger.

Mr. ROUMELL. This is, of course, an impression answer, Senator Randolph, but that 45 age group is where they break off in hiring and this is so not only in the automobile industry but in all heavy industry, and the reasons for it—one of the reasons is, of course, the fringe requirements to employment: the age experience becomes a factor for pension plans and insurance plans and the like.

Senator RANDOLPH. In other words, the earlier hiring gives a longer span of productivity to the worker and the company in the manufacture of the product; is that right?

Mr. ROUMELL. This is right, sir. That is quite correct.

I want to conclude my remarks, Senator, with just the observation that—and I am sure the committee has been aware of this—with the President's emphasis on developing as much training opportunities as we can, to expand placements of individuals in the service trades, that we certainly can agree with this program in Michigan and we certainly see it as being a fact of life.

I think the subcommittee is aware of the fact that, in manufacturing and in agriculture, the indications and projections today are that employment opportunities will be on the decrease and are on the decrease now and that the future employment opportunities for the decade of the sixties and the seventies is going to be in the service areas and in the retail- and wholesale-trade areas.

Therefore, it behooves us to do as much as we can to provide the training and the placement opportunities in these areas as the only hopeful area where we can begin to absorb the unemployed and the new entries into the labor market for the future.

Senator RANDOLPH. Have you had any trouble in finding trainees for the so-called domestic service?

Mr. ROUMELL. Mr. Smith brought this to my attention the other day and I had recalled that we have done training of this kind and I think I used the figure then that it was about 300 that we had trained.

This is something that we have done in Detroit for the last 3 years, in cooperation with the public school system in Detroit, and this was not done under either the Area Redevelopment Act or the Manpower Development and Training Act. However, we are presently conducting a course identified as "Homemakers Instructors," and when these individuals are trained, and have graduated our course, they will be available to teach the individuals for actually engaging in employment as homemakers and household help.

We are training 20 such individuals who will be involved in a 20-week course and then, as I indicated, we will embark upon the actual training of individuals for placement as household aids and household individuals.

We have found from the experience that we had with this first program I mentioned, with the Detroit public school system, that the placement of these individuals is almost 100 percent. They are taught the basic needs of an individual who is left at home while the household head is away, or the husband and wife are away, and it becomes, it is a "demand industry," if I may use that term for it.

So, therefore, as soon as we are able to qualify these individuals for the position of instructors, we anticipate we will have another

field where we can continue training without any particular limitation as to the number of individuals that we ought to train.

Senator RANDOLPH. At this point, I wonder if you could tell us just how long you think it might take to do this sort of job. It is not going to be as easy as the other type of training.

Mr. ROUMELL. This household training, sir?

Senator RANDOLPH. Yes.

Mr. ROUMELL. The courses that we had with the public school system——

Senator RANDOLPH. I do not mean the time of training; but the program to find these people; to develop a counseling service; that is the problem, is it not?

Mr. ROUMELL. Yes it is, sir. This is quite right. To be able to find the individuals for this type of training, I think, is not the problem. The problem really is to find the type of individual that will be satisfactory from the point of reliance and ability to absorb instruction and to be efficient and this, of course, is something which no amount of training can guarantee a solution for but, nonetheless, training is the only meaningful way that we can approach the problem and try to overcome it.

Senator RANDOLPH. Mr. Roumell, I go back now to financing, and this is highlighted by the telegram from your distinguished Governor, Governor Romney, and your comment in the subcommittee hearing. The telegram is not long and, because of what he says, I think we should have it on the record.

Governor Romney says:

> I strongly favor the continuation of the Manpower Development and Training Act programs. I have requested the Michigan Legislature in my budget message to appropriate $5 million or approximately one-third the anticipated State expenditure during the next fiscal year in the Manpower Development and Training Act area.

I stop at that point in the telegram to ask: What response has there been from the legislature? Has there been time for crystallization? Have you read or heard or know what the reaction is?

Mr. ROUMELL. Our legislature has just reconvened and has been getting organized.

Senator RANDOLPH. Has the leadership responded?

Mr. ROUMELL. The leadership has indicated, if it was necessary for the $5 million, it would have been very, very close to that sum. We have a very favorable air in the Michigan Legislature for any type of matching-fund requirements.

Senator RANDOLPH. He closes with this very broad statement, and I do not know many Governors who would make it.

> We in Michigan are therefore prepared to support the Manpower Development and Training Act programs on any matching basis that may be required by the Federal Congress.

This is rather broad, is it not?

Mr. ROUMELL. Yes, sir; and it is intended just that way, sir.

Senator RANDOLPH. He certainly has confidence in the Congress. Do you think then Congress should make it about 90–10; that is 90 for the State and 10 for the Federal Government.

Mr. ROUMELL. If they did, I would not want to be around here.

Senator RANDOLPH. You know we have 100 percent financing now. Of course, we propose the 90–10 matching division for MDTA, but Governor Romney's telegram indicates that the experience of those closely associated with the program in Michigan believe the program in its new phases would be more helpful than it has been during the first 2 years of existence. Is that true?

Mr. ROUMELL. This is true, sir. And may I add to that, sir, that Michigan in both fiscal 1963 and 1964 under the Manpower Development and Training Act has doubled the amount of money that it has spent for the Manpower Development and Training Act training over and above the basic allocation that was made to the State. We have done this because we find the need for this type of training so great and the development of trained individuals in these demand industries so vital that we have been able to, in both fiscal years, almost double the amount of expenditures that we made in Michigan over the basic allocations to the State. Fiscal 1965 is going to be a like year; we are going to spend more than our basic allocation. We are able to do this, I think the Senator understands, on the basis that some States do not avail themselves of the allocations so much as others.

Senator RANDOLPH. One question before you leave the stand. Do you believe that even though we have high-level prosperity in the automotive and related industries in Michigan, that we may expect this problem to be as acute in the future as it has in the past? What is your feeling?

Mr. ROUMELL. I think I should put it this way, Senator Randolph. I think it is important that we continue this, because we are now able to really reach in the unemployed the people who need most the help for training and relocation. We now know who the hard core unemployed are, of the 127,000 unemployed in Michigan. We are able to isolate these people as being the ones who are among other reasons, dislocated for technological reasons. It is these people that we can help immediately, and the ones that need it most.

So I would say that the vigor of training under the Manpower Development and Training Act should continue as far into the future as we possibly can.

Senator RANDOLPH. Thank you very much, Mr. Roumell. Again, if you can supply these partial figures, it will be appreciated. You have been very helpful.

Mr. ROUMELL. I will try.

Senator RANDOLPH. Without objection your complete statement will be included in the record at this point.

(The prepared statement of Mr. Roumell follows:)

PREPARED STATEMENT OF THOMAS ROUMELL, DIRECTOR, MICHIGAN EMPLOYMENT SECURITY COMMISSION

I am grateful for the opportunity to appear before this committee to speak on behalf of the training programs under the Area Redevelopment and the Manpower Development and Training Acts. Michigan was one of the first States to undertake training under this legislation on a significant scale. During the first 3 years of operation, 1962 to June 1964, Michigan had Manpower Development and Training Act and Area Redevelopment Act programs under which nearly 10,000 trainees were involved in 234 projects, costing over $14 million. Since July 1, 1964, an additional 84 Manpower Development and Training Act projects and 16 Area Redevelopment Act projects have been approved to train 7,400 more unemployed workers. In addition to these, 48 projects are currently

being developed which have not yet been submitted for approval. These will provide training for approximately 4,500 additional people.

The significance of these training programs to Michigan may be gaged by the fact that of the more than 7,300 trainees who completed training as of December 31, 1964, over 6,000, or more than 80 percent, have been placed on jobs. Furthermore, of the nearly 9,000 trainees who had been enrolled for training under the Manpower Development and Training Act, nearly 1,700 were people who were currently on public assistance. When we consider that if the 6,000 Manpower Development and Training Act and Area Redevelopment Act trainees who have been placed on jobs subsequent to their training work full time, their annual wages will approximate $27 million, we realize that the funds that have been expended in training these people have been an exceedingly good investment. This is so not only because of the gain in morale on the part of the unemployed themselves, but because there has been a positive benefit to the Michigan economy as well. The programs under the Area Redevelopment Act and the Manpower Development and Training Act have served to provide trained people in occupations in which there were actual shortages. These occupations included tool and die makers, machine tool operators, electronic and medical technicians, office machine operators, stenographers, and mechanics. There are additional benefits to the State besides the actual filling of shortage occupational needs. The schools which have engaged in these programs have learned a great deal about the employment structure of the State, the unique problems and needs of the socially and economically deprived people of our State, and of minority groups. Our vocational schools have made changes in their curriculums to bring them closer to the actual needs of Michigan industry as a result of what they have learned in the course of operating these programs. Since many of these training programs have never been operated to any extent by Michigan educational institutions, the schools were of necessity required to make closer contact with business and industry to provide the necessary teachers, technicians, equipment, and teaching methods. The consequent spirit of cooperation which has grown up in Michigan, and, I am sure, in other States as well, as a result of these programs, has probably been the greatest benefit which our State has derived from these programs. We made some mistakes in the early days of the Area Redevelopment Act and Manpower Development and Training Act, but we have learned a lot in the process.

I should like to take a few minutes now to give special attention to training in the area of trade and service. The economic history of the United States during the past few decades, although the underlying trend has been obscured by sporadic economic occurrences, such as wars and the explosion in the population and so on, has been that the role of manufacturing and other production industries has been steadily declining, while the economic importance of trade and service has been steadily increasing. Projections which have been made by the Bureau of Labor Statistics and other agencies indicate that this trend will continue and will probably accelerate. For example, our own projections for Michigan indicate that, while manufacturing will increase by about 6 percent in the decade from 1960 to 1970, and construction will rise at a much more rapid rate, about 31 percent, over this period, the really large areas of growth are going to be trade, in which there will be probably about one-third more people working in 1975 than there are today; finance, insurance, real estate, and government, in which there will be perhaps six people working where there were only five before; and other services, such as professional services, business services, and the like, in which the increase may be as much as 40 percent between 1960 and 1970.

There are many reasons for this. Primarily, I believe that the major reasons for the rather explosive growth which we anticipate in trade and service, as compared with production industries such as manufacturing, mining, and agriculture, are the anticipated increase in our population, the change in the age distribution, and the rise in the standard of living. When the population grows at its least productive ends, that is, in the youngest and oldest age groups, there must necessarily be more money expended and more resources allocated to services as compared to the purchase of tangible things. This is so because the older and the younger groups in the population require a great many more services than the people in the intermediate groups. The first thing that comes to mind, of course, is the fact that the growth in the younger age groups in the population means that we will have a great need for educational services. The rapidly increasing numbers of older people require additional health serv-

ices, but it must also be remembered that these will be people who will be living in a much more affluent way, if I can use that expression, by comparison with older people in the past. The existence of social security, early retirement, private pensions, and prepaid medical care and hospital services means that these people will be able to avail themselves more readily of such services than in the past, and this will require an enormous expansion in the number of people engaged in these specific types of activity.

There has already been a substantial expansion in many service occupations. If we look at such a lowly occupation as babysitter, for example, we find that between 1950 and 1960, this occupation grew by 1,000 percent. Of course, the 1950 census undoubtedly understated the number of people who actually did babysitting, but the very fact that nearly 20,000 people told the census taker in 1960 that babysitting was their occupation is highly significant. There is no reason to doubt that growth in the future in this particular type of activity will be high.

I have mentioned babysitting, not because it is a particularly important activity, but as illustrative of the developments which produce this kind of explosive growth. Babysitting has grown in importance, not only because there are many recently established households with young children, but also because of the growth of suburbanization and of leisure-time activities. Perhaps just as important as these reasons is the fact that our society is so affluent that it can maintain as separate households both very young married people and the very old, both of which groups in less affluent times remained as parts of households of a larger size. The old folks are no longer around to "sit" for the young married couple when they want to spend a night out on the town. They are, more than likely, spending a night out on the town themselves, not necessarily the same town.

There are a number of advantages, so far as training is concerned, to the growth of service and trade occupations. They do not normally require any very high level of basic education, and thus older people who do not have much more than a grade-school education (or even less) are eminently suitable for them. As a corollary to this, the actual training required to qualify people for these occupations is also short, and they are therefore suitable for programs of 16 weeks or less duration. In the following table, we have listed a number of these occupations in which there has already been a very rapid rate of growth.

Employment, 1950–60, in selected service occupations, Michigan

Occupation	Number employed at time of census		Percent increase in decade
	1950	1960	
Attendants, hospital and other institutions	10,371	18,395	77
Attendants, professional and personal service	1,296	2,404	86
Charwomen and cleaners	7,178	10,789	50
Cooks, except private household	14,190	20,301	43
Firemen	4,426	5,342	21
Hairdressers	7,979	12,020	51
Housekeepers and stewards	4,024	6,248	55
Kitchen workers	7,379	13,926	89
Police, etc	8,092	10,351	28
Practical nurses	5,243	11,864	126
Sextons and janitors	25,596	30,965	21

The fact that jobs in these categories can utilize people of little education does not mean that no training is required for these people to work efficiently. Reverting to our original example of the babysitter, even this occupation requires more than merely a few last-minute instructions on the part of the parents as to the location of the refrigerator and how long the baby's bottle should be heated. We have all read of tragic occurrences which might have been averted if the babysitter had been trained to recognize emergencies and to do the right thing when they arise. Practically every occupation, no matter how apparently simple it may appear to the outsider, has its technicalities which must be learned, its special equipment which must be operated, its special rules for safety and efficiency.

In addition to the groups listed above, there are a number of other occupations which are growing rapidly and which require a medium amount of training. These include salesworkers in such lines as wholesale and retail trade, insurance, real estate, and so on. We are all aware of the extent to which retail stores have changed since World War II. The trend, of course, has been away from the small family-operated store to the very large store in which the customer generally makes his own selection; this has, however, not diminished the need for training: it has merely changed the kinds of training which are required. In some cases, it has actually increased the level of training and skill required on the part of the salesperson. The advent of the supermarket has made it possible for individual stores to stock a much larger variety of goods than the small family-operated store could possibly handle. It has increased the need for trained workers in such activities as packaging, meatcutting, and the like. Additional changes are in the offing. It is quite likely that, within a few years, electronic equipment will be used in smaller specialty stores, such as women's shoes, to show the prospective customer all of the products available in her size and desired price range. The salesclerk in such a shop will obviously have to use different selling techniques and will have to have different skills than a clerk in the same kind of shop today.

In the fields of insurance and real estate, most salespeople today are college educated. However, there are many older workers without a college degree who could be trained in a relatively short period of time to work in these extremely rapidly growing fields. The enormous rise in expenditures on travel, recreation, hobbies, and other leisure time activities (including adult education), means that the next decade will see an even more explosive growth in occupations related to these activities than has already occurred. Cooks, housekeepers, janitors, kitchen workers, and many related occupations are suitable for relatively short training programs. Our projections for this decade indicate that, in Michigan alone, many thousands of wokers will have to learn a new occupation. Agriculture will continue to decline. We have forecast a 20-percent reduction in the number of farms and farmworkers in Michigan in the decade of the 1960's. We made a similar forecast for the 1950's and the actual rate of reduction was twice as great as we anticipated. The number of unskilled workers will decline by more than one-fourth. Most of the workers displaced as a result of these developments will be in the older age groups, and our training programs should take this into account. I therefore believe that the limitation of 25 percent on the training of youth is reasonable and should be retained.

Your committee has already received a telegram from Governor Romney in which he expresses his strong support of the training programs under the Manpower Development and Area Redevelopment Acts and in which he states that he is requesting the Michigan Legislature to appropriate $5 million, equal to one-third of the estimated cost of our projected programs for the 1966 fiscal year, to insure the continuance of these programs in Michigan. Michigan is therefore prepared to go along with any matching requirements which may be established. We are heartily in favor of the proposed reduction in the matching requirement to 10 percent, as this will make our continuing participation certain.

Employment in Michigan, 1960, and projected for 1970, by occupational group [1]

Occupational group	Employment		Projected percent change in decade
	1960,[2] actual number	1970 projection	
Total, all occupations	2,726,864	3,175,000	+16.4
Professional and technical workers	326,513	511,000	+56.5
Proprietors and managers	208,956	241,000	+15.3
Clerical and sales	607,884	775,000	+27.5
Skilled workers	438,774	489,000	+11.4
Semiskilled workers	633,219	608,000	−4.0
Service workers	308,189	397,000	+28.2
Unskilled workers	114,143	82,000	−28.2
Farmers and farmworkers	89,186	72,000	−19.3

[1] Includes self-employed and domestic workers.
[2] 1960 data from U.S. Census, Michigan, detailed characteristic, PC(1)-24D

In a personal conversation with Governor Romney, he also asked me to convey to this committee his strong desire for the continuance of the types of training conducted under the Area Redevelopment Act. Using these limited duration programs in areas of high unemployment, we have accomplished a great deal in Michigan in the way of providing retraining for older workers and other long-time and hard-core unemployed. I should like to mention a few of these courses to indicate just how successful they have been. We conducted courses for nurse aids and orderlies in the Detroit area which were completed by 297 trainees during the 1964 fiscal year, 246 of whom obtained employment subsequent to completion of the course, all but 9 of them in a training-related position.

We trained 80 women as sewing-machine operators in Detroit of whom 60 obtained employment after completion of the training.

Of 77 women trained as salespersons, 64 obtained jobs; all but 6 in a training-related occupation.

In Petoskey we had 19 who entered a training course for cooks, all of whom completed the training, and all but 1 obtained employment. We enrolled 74 women in waitress courses, and of the 64 women who completed the course, 55 obtained jobs.

We could go on to list many more classes which we have given under ARA, most of which have been conspicuously successful but the ones I have mentioned so far are a sufficient indication of the diversity of these courses and the success which we have had with them. Our current plans include a number of similar courses, some of them in the kinds of activities mentioned by President Johnson in his recent statement of February 1. We have already submitted proposals for a course to train homemaker instructors, counselor aids or vocational advisers, automobile service station mechanics, and so on. There is a great need for trained people in these occupations. I want to associate myself with Governor Romney in his strong recommendation that programs of the ARA type be continued.

I should also like to take this opportunity to go on record in favor of some of the other features of S. 974. The extension to 2 years of the maximum period in which training allowances may be paid widens our horizon in terms of the kinds of projects which we can undertake. The revisions in the eligibility requirements, and the provision for dependency benefits in addition to the basic allowance, will have the effect of bringing into the training programs many people who need such training or retraining but whose family circumstances are such that they simply cannot afford to go into the training programs with the limitations on the allowances currently in effect.

The authorization in the bill providing for training programs in redevelopment areas, with full Federal financing, will simplify the administration of this program, as will the amended provisions dealing with appropriations and the use of authorized funds.

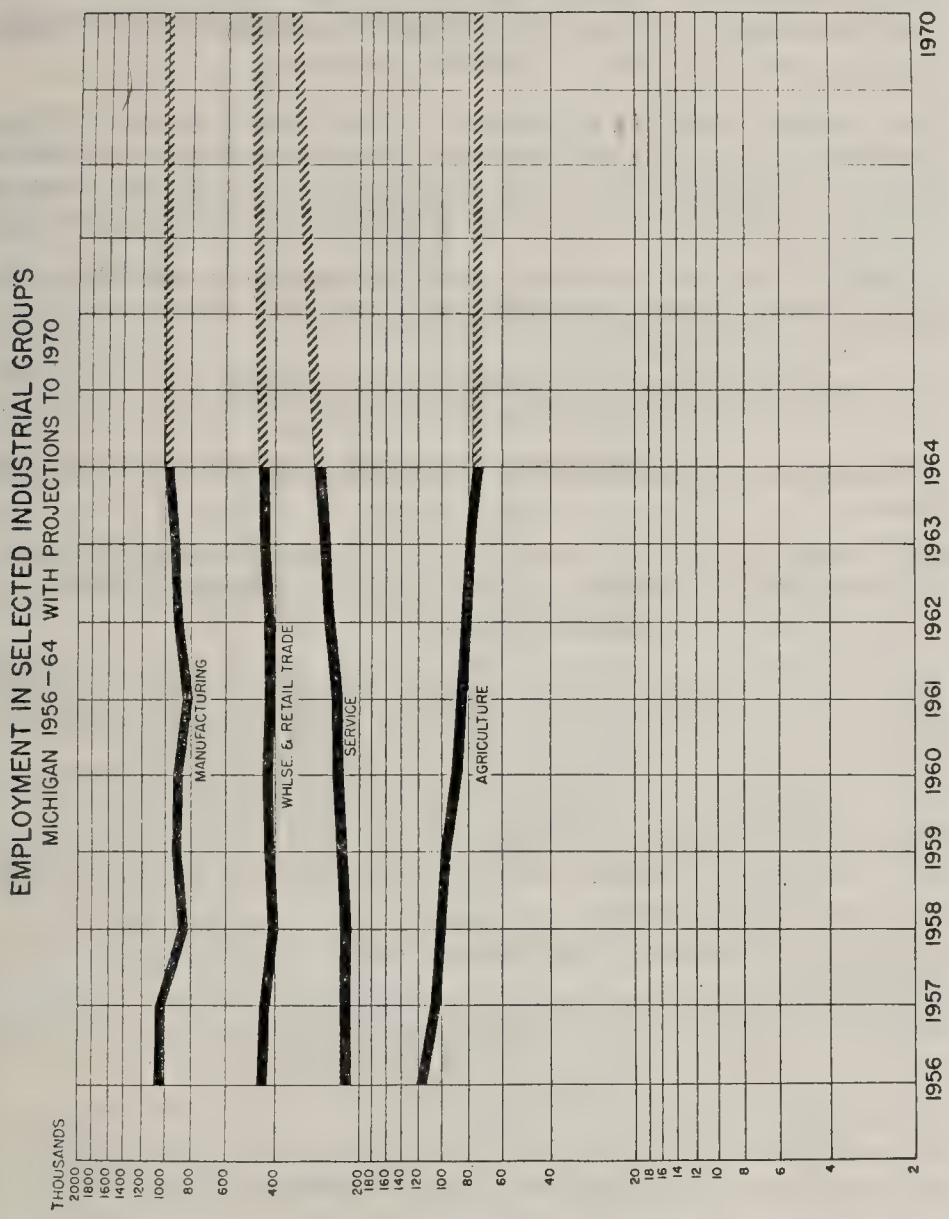
May I again thank the committee for this opportunity to appear before it and to make my views known.

Senator RANDOLPH. We will ask our panel of three gentlemen to come to the table. Mr. Myers, Mr. Phillips, and Mr. Sneden.

It is not necessary for you to identify your organizations. I see there are four in the panel.

Mr. SNEDEN. Yes, we have Mr. Fulton with us, our counsel.

Senator RANDOLPH. I know Mr. Fulton, and we are happy he has joined us. The record will show who all of your are. We will hear from Mr. Robert Sneden, of the Detroit College of Business. We are happy to have you, Mr. Sneden.


EMPLOYMENT IN SELECTED INDUSTRIAL GROUPS
MICHIGAN 1956–64 WITH PROJECTIONS TO 1970
THOUSANDS
2000
1800
1600
1400
1200
1000
800
600
400
200
180
160
140
120
100
80
60
40
20
18
16
14
12
10
8
6
4
2
MANUFACTURING
WHLSE. & RETAIL TRADE
SERVICE
AGRICULTURE
1956
1957
1958
1959
1960
1961
1962
1963
1964
1970

STATEMENT OF ROBERT W. SNEDEN, DETROIT COLLEGE OF BUSINESS, DEARBORN, MICH.; ACCOMPANIED BY HARRISON MYERS, JR., SAWYER SCHOOL OF BUSINESS, LOS ANGELES, CALIF.; CLARENCE A. PHILLIPS, HEALD'S BUSINESS COLLEGE, SAN FRANCISCO, CALIF.; AND RICHARD A. FULTON, COUNSEL

Mr. SNEDEN. First of all, on behalf of the United Business Schools Association and on behalf of the institutions we represent, we want to express our appreciation for the opportunity to express our views on the extension and amendment of the Manpower Development and Training Act.

We have a prepared statement which has been made available to the members of the subcommittee and if it is agreeable with the chairman, I will just not try to read this.

Senator RANDOLPH. We will consider it as presented to the subcommittee, and let you comment on portions of your testimony as you see fit.

(The prepared statement of the United Business Schools Association follows:)

JOINT STATEMENT BY ROBERT W. SNEDEN, PRESIDENT, DETROIT COLLEGE OF BUSINESS, DEARBORN, MICH.; CLARENCE A. PHILLIPS, PRESIDENT, HEALD'S BUSINESS COLLEGE, SAN FRANCISCO, CALIF.; AND HARRISON W. MYERS, JR., SECRETARY, SAWYER SCHOOL OF BUSINESS, LOS ANGELES, CALIF.

Mr. Chairman and members of the committee, my name is Robert W. Sneden. I am president of the Detroit College of Business, Dearborn, Mich. For nearly 20 years I have been associated with business education including service on the board of directors of the National Business Teachers Association.

Also by way of background, I am the past president of the United Business Schools Association which is the 1 association of educational institutions in which nearly 500 of the quality independent business schools and junior colleges of business of the Nation hold membership. The roots of UBSA go back more than 50 years to 1912. However, many member institutions have been in existence for more than 100 years.

UBSA itself is an affiliate of the American Council on Education. At least one administrator in every UBSA school is a member of the American Vocational Association.

Here with me to give testimony are two colleagues from California: Mr. Harrison Myers, Jr., of the Sawyer School of Business in Los Angeles and Mr. Clarence A. Phillips of Heald's Business College in San Francisco—which, I would add, was founded in 1863. Mr. Phillips is the president-elect of UBSA.

Both Mr. Myers and Mr. Phillips, as well as myself, have administered successful Manpower Development and Training Act programs in our institutions which were under contract with our respective State education agencies. We appreciate the opportunity you have given us to discuss with you some of the problems which we feel have been raised by these proposed amendments to the Manpower Development and Training Act.

THE 1963 MANPOWER DEVELOPMENT AND TRAINING ACT AMENDMENT TO SECTION 231

The private business schools are very appreciative of the work of this committee in liberalizing section 231 of the present law through the 1963 amendment which so successfully clarified and encouraged the use of private training institutions. We feel that the expanded utilization of private institutions has materially added to the success of the Manpower Development and Training Act.

If 100 percent Federal financing were to be continued, there would be no cause for our testimony today. While we respectfully urge the continuation of 100 percent Federal support, we do not wish to becloud the issue. Therefore we raise our questions in the light of the 90- to 10-percent arrangement set forth in proposed section 241.

For ease of discussion and ready reference we have quoted from page 15 of House Report No. 861 (88th Cong., 1st sess.) on the 1963 Manpower Development and Training Act amendments which discussed the role of private institutions with Manpower Development and Training Act and congressional intent in amending section 231 which some have called the Holland amendment.

"D. *Private training institutions*

"Section 6(b) of the bill liberalizes the provision relating to the use of private training institutions. It should be noted that there are many private institutions with excellent reputations that have stood the test of time. With facilities in being and trained personnel on hand most are in a position to provide immediate training of the type required by the program. Yet, despite congressional expectations, they have not been used widely. Two factors produced this result. The present language read literally appears to exclude their use except in the extremity of absence or inadequacy of public facilities. Hence, many private institutions have not offered the use of their facilities. Second, many States have reinforced this lateral impression of the language thereby further discouraging the use of private institutions.

"To remedy this situation the bill substitutes for the present language criteria to govern the use of private institutions. Specifically, States are authorized to contract with private institutions whenever 'such institutions can provide substantially equivalent training with reduced Federal expenditures.'

"The Secretary of Health, Education, and Welfare retains overall supervisorial responsibilities and can be expected to prevent any abuses in the exercise of this added authority. Thus the present Manpower Development and Training Act provides in section 231 among other things for 'continuous supervision of the training programs conducted under the agreement (with the State) to insure the quality of an adequacy of the training provided, protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title.' Under this authority the Secretary can develop further the principle of cost competitiveness between public and private institutions provided by the bill and develop the controls required to insure compliance with the criterion of comparable quality."

Because of the 1963 amendment, the second sentence of section 231 now reads:

"Such State agencies shall provide for such training through public education agencies or institutions or through arrangements with private educational or training institutions where such institutions can provide substantially equivalent training with reduced Federal expenditures."

Essentially this provides a workable system of "subcontracting" by the State agencies which has many advantages. In the absence of clarification by the committee or possible amendment to section of 90 to 10 percent proposal could defeat and nullify the 1963 amendment to section 231. We do not believe that such is the intent of the 1965 Manpower Development and Training Act amendments. We hope the committee shares this view with us.

PROGRAM SUCCESS IN A PRIVATE INSTITUTION

Attached as exhibit "A" is a report on a Manpower Development and Training Act program in Michigan carried out by a State agency through an arrangement with a private educational institution. In this case it was the Detroit Institute of Commerce. The results, I submit, are impressive.

This was a 24-week stenographer program for 24 girls. Twenty were Negro and four were Caucasian. A followup survey with 18 replies out of 24 trainees disclosed:

"Employment listed was as follows:

Jones & Laughlin Steel Co	1
Ford Motor Co	1
University of Michigan	4
Prudential Insurance Co	1
Wayne State University	2
Chrysler Corp	2
Attorney offices	2
Wayne County Civil Service	1
Vickers, Inc	1
Burroughs Co	1
Sears, Roebuck & Co	1
General Motors	1

"They are all doing stenographic work. The average earnings are $323.72 per month or $74.70 per week. If each girl has one deduction from her annual salary ($3,884.64) she will pay $456.80 income tax.

"For this trainng program the school received 65.859 cents per hour of training or a total of $474.19 per student. This included all books and supplies. After all taxes are deducted there is left more than $3,000 from which they can save, and purchase durable and nondurable goods."

TREMENDOUS POTENTIAL OF SECTION 231

Section 231 authorizes a tremendously comprehensive approach for the Secretary of Health, Education, and Welfare to provide a variety of training programs. This, in our opinion, includes the indirect method of contracting with the States on the direct method of section 202(b) or (i) and that of the last sentence. The States in turn can "subcontract" by arrangements with private institutions.

At another point in our testimony we would comment on the relatively undeveloped potentialities of the system of "Individual Referrals" authorized by section 202(b) or (i).

PROPOSED 90 PERCENT LIMITATION RAISES MATCHING PROBLEM

A host of impressive witnesses, already heard by this committee, have consistently affirmed the fact that very few States will appropriate cash outlays to match the 90 percent Federal funding proposed in this measure. The vast majority obviously intend to make up the 10 percent by matching "in kind."

The very real problem over the contined use of private institutions is thus raised in those cases when the State appropriates no cash but wishes to match "in kind" Federal expenditures after July 1, 1965.

How, in the light of the 1963 Holland amendment to section 231, but within the 90 percent Federal limitation proposed through new section 241, can the States continue to carry on successful training program through subcontracts with private institutions when there are no items such as "plant, equipment, and services" to be fairly evaluated so that "expenditures from non-Federal sources" may be matched in kind?

We respectfully urge that the need to match "in kind" where the States have made arrangements with private institutions is inapplicable if such a requirement would defeat the very purpose and success of the 1963 Holland amendment to section 231.

The Deputy Assistant Secretary (for Legislation) of Health, Education, and Welfare, Phillip H. Des Marais, pointed out the expanding role of private schools under the 1963 amendment in his recent article "New Developments in Occupational Training and Vocational Education" in the Balance Sheet, volume XLVI No. 1, September 1964.

At page 22 Des Marais writes:

"Anthony J. Celebrezze, the Secretary of Health, Education, and Welfare, in his annual report to the Congress on training activities under Manpower Development and Training Act made specific mention of the role of the private school, so far, in the program.

" 'Some facilities have been provided by private training schools. As of December 31, 1963, 104 projects with 4,342 enrolled trainees had been approved in 49 private schools in 18 States. About one-third of the projects and one-half of the trainees are in Chicago. Table A summarizes the projects approved for nonpublic agencies. Many private training schools have equipment not available in public schools, particularly for training in technical and subprofessional occupations. It is expected that use of private schools will be extended. An amendment to the act provides that arrangements may be made with private education or training institutions "where such institutions can provide substantially equivalent training with reduced Federal expenditures." * * *'

"The Secretary's report went on to explain that:

" 'The planned expansion of the manpower program will increase the burden on public vocational education facilities. Greater use of private technical schools and colleges for training purposes will be made in conformity with the amendment to the Manpower Act, which clarifies the oportunity to use such facilities.' " (Table A omitted.)

As matters stand, despite the 1963 Holland amendment and the realistic evaluation by Secretary Celebrezze of its utility, there is a large cloud hanging over future arrangement by the States with private institutions as a result of the 1965 90 to 10 percent proposals. We submit it is unrealistic to apply the "in kind" matching provision when the States have made arrangements for Manpower Development and Training Act training in private institutions.

Just as the 90 to 10 percent arrangement does not apply to the direct training programs which the Secretary is authorized to carry out under section 202(b) or (i) and the last sentence of section 231, we would hope that the committee might determine that there is authority for the view that the 90 to 10 percent arrangement does not apply to the indirect training which the Secretary carries on through the States when such training is in turn "subcontracted" with a private institution.

We most urgently and respectfully request the committee to look into the ramifications of this problem and provide the necessary guidelines through its report or by a clarifying amendment to the bill. We feel such a determination is vital to the continued use of private institutions by the States.

"MATCHING" FOR TRAINING ALLOWANCES AND COMPUTATION OF TOTAL COSTS

The States continue to be "agents for the United States" for the payment of training allowances authorized under section 203. Whether the trainee is in a public or a private institution, there is no leeway permitted under section 241 to deviate from the 90 to 10 percent arrangement. Yet it seems obvious that the payment must be in cash and cannot be "in kind" to the trainee.

Therefore, the question becomes: At what point in time are the "total of all such costs" (i.e., training allowances, reimbursement for unemployment compensation and institutional costs for training programs) to be properly computed?

Is it to be on a per trainee basis individually broken down by each category of—

(*a*) Ninety percent to ten percent of the training allowance for each trainee?

(*b*) Ninety percent to ten percent of the reimbursement for unemployment compensation for each trainee?

(*c*) Ninety percent to ten percent of the institutional costs for training programs for each trainee?

Is it to be on a per project basis broken down by cost category:

(*a*) Ninety percent to ten percent of all training allowances for the specific project?

(*b*) Ninety percent to ten percent of all reimbursements for unemployment compensation for the specific project?

(*c*) Ninety percent to ten percent of the institutional costs for training for the specific project?

Or, can the "total of all such costs" be considered over an entire fiscal year so that the total contribution of the State truly can be "fairly evaluated" in the light of the total pictures under an across-the-board lump-sum method?

To put it another way, even with the 100 percent payment in cash flowing from Federal payments to finance such items as training allowances or contracts with private institutions, can the contribution of the State through the fair evaluation of its "plant, equipment, and services" be credited against the sum of training allowances, reimbursement for unemployment compensation and institutional costs or, is the 90 to 10 percent applicable by each category?

Assuming a theoretical situation where, for a fiscal year, training allowances total $100,000 and institutional training costs total $100,000 and the value of the plant equipment and services totals $20,000, is this $20,000 creditable toward the total costs of $200,000 or merely the total institutional training costs of $100,000 with no carryover credit against training allowance payments?

Similarly, assuming total annual institutional training costs of $100,000 which include $20,000 subcontracted to private institutions and a fair evaluation of State plant, etc., of $20,000 in carrying out $80,000 worth of training in public institutions, can the "excess" of $12,000 be used as a credit against the cost of the training in private institutions as well as a credit against $100,000 of training allowances?

We hope it is the interpretation of this committee and the intent of Congress that the 90 to 10 percent arrangement is to be most liberally construed to permit utmost flexibility in carrying all sections of the Manpower Development and Training Act program. We respectfully urge that it be clearly established that the 90 to 10 percent ratio is:

(1) Not per trainee;
(2) Not per contract;
(3) Not per project;
(4) Not per program;
(5) Not per cost category;

but that it is truly 90 to 10 percent of the "total of all such costs" incurred in a State over an entire fiscal year and that the 10 percent "non-Federal" expenditures are truly creditable across the board to the "total of all such costs."

INDIVIDUAL REFERRALS

In the Congressional Record of February 9, 1965, at page A542 inserted by Congressman James Roosevelt, of California, there appears a very realistic evaluation of future Manpower Development and Training Act problems by an able and experienced State education official, Mr. R. C. Van Wagenen, chief of the Business Education Division, California State Department of Education.

Van Wagenen noted that in California:

"Private business schools offering business training programs under the Manpower Development and Training Act accounted for about 15 percent of the training programs."

He also predicted administrative problems in continuing training programs in private institutions when 100 percent Federal support ceases July 1, 1965.

He then went on to discuss the still developing concept of "individual referrals" which can be carried out pursuant to section 202 (b) or (i).

Van Wagenen said:

"Individual referrals are now coming through, and we find private schools can handle these referrals perhaps better than public schools in the main."

The full potential of the individual referral method for selection and training still has not been fully implemented. In many ways it is one of the most exciting potentialities of the entire Manpower Development and Training Act.

Through an expanded use of the individual referral method, the factor of time-lag can be greatly reduced. Historically, private schools have been known for their special ability to take persons at a known skill level and to integrate them individually into the educational program of the institution. This also affects job placement success.

Far too often, some educators and administrators seem to feel that it is necessary to accumulate 20 or 30 bodies before initiating a class or a program. Tragically, this can lead to such mistakes as a person being enrolled in programs for which he may not really be suited and from which he may drop out.

Further, there is the delay in getting a group started. Finally, the local job placement situation may not be able to absorb 20 to 25 new workers immediately upon graduation of the group but could absorb them at the rate of 2 or 3 a week.

FORTY-FIVE YEARS OF VOCATIONAL REHABILITATION

Private business schools have been successfully training people for jobs on an individual referral basis under the vocational rehabilitation law since its enactment in 1920. They continue to do so under—

(*a*) The present law, Public Law 83–565;
(*b*) The present regulations, section 401.26;
(*c*) The program guidelines, Manual Transmittal Letter No. 43;
(*d*) The philosophy of the Commissioner of Vocational Rehabilitation, "Training Handicapped Students for Office Careers" by Mary E. Switzer, the Balance Sheet, volume XLVI, No. 2, October 1964.

Hopefully, the committee will urge the Secretaries of Labor and of Health, Education, and Welfare to draw upon this wealth of experience in the area of individual referrals as the program in Manpower Development and Training Act develops. In our opinion, such cross-pollenization is highly desirable.

TECHNICAL AMENDMENT TO SECTION 2

We also urge a technical amendment to section 2 of the 1965 bill and suggest that the word "nonprofit" be eliminated from new paragraph (6) so as to read: "(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants or contracts, with public or private agencies, * * *".

There is ample precedent for this language because the policy was established in section 207 of the Poverty Act which merely refers to "private agencies." It is also consistent with the other sections of the Manpower Development and Training Act which merely refer to private institutions. See Wall Street Journal, February 11, 1965, for article on training contracts with private industry under the poverty program.

SUMMARY

The 1963 Manpower Development and Training Act amendment to section 231 effectively clarified and amplified the important role of the private educational institution. The States, with the encouragement of HEW officials, have increasingly utilized private institutions and wish to continue to do so even after July 1, 1965, when 100 percent Federal support ceases.

It is not the intent of Congress to defeat the provisions of the 1963 amendment to section 231. However, perceptive State officials are looking for legislative guidelines whereby they can continue to use private institutions in those States which intend to comply with the 90- to 10-percent method by matching-in-kind. These necessary guidelines can be supplied by the language of the committee report or through a clarifying amendment.

Similarly, the legislative intent should be clearly established that the matching-in-kind of expenditures from non-Federal sources is creditable across the board to all costs.

The system of selection and training by individual referral should be expanded by the respective Secretaries who can contract directly and are not circumscribed by the proposed 90- to 10-percent matching arrangement. Just as the States are agents of the United States for payment of training allowances, so also might the States be agents for the handling of individual referrals for whose training the Secretary can contract directly. Lessons can be learned from the 45 years of successful individual referral under the Vocational Rehabilitation Act.

The proposed new paragraph (6) of section 102 of the act should be amended to read, "* * * contracts with public or private agencies, * * *" to follow the policy of the 1963 amendment and the language of the poverty program.

CONCLUSION

As administrators of private institutions who are working closely with our respective State agencies and conducting the Manpower Development and Training Act programs for them, we are terribly concerned over the future contributions of private educational institutions in the light of the 1965 proposed amendments and the particular possibility that the operation of the 1963 amendment to section 231 might be nullified by the 90- to 10-percent matching arrangenment.

Since the act makes no provision for 90- to 10-percent matching for on-the-job training, we feel the same intent should be expressed concerning arrangements for training in private institutions pursuant to section 231.

We wish to express our sincerest appreciation to the committee for making this time available to us to discuss the problems posed by 1965 proposals, as we see them. We endorse the philosophy of the Manpower Development and Training Act and are proud of our contributions to the program as it is now being carried out.

We hopefully urge the committee to provide, either through its report or by clarifying amendments, for continued training in private institutions in those States which must match in kind and for an expansion of the individual referral system.

Mr. SNEDEN. We have, with the prepared testimony, exhibits A, B, and C, which we would appreciate having introduced, also.

Senator RANDOLPH. They will be included, also.

(The exhibits referred to follow:)

EXHIBIT A.—MANPOWER DEVELOPMENT TRAINING CLASS (MT-284) FOR STENOGRAPHERS AT DETROIT INSTITUTE OF COMMERCE, DETROIT, MICH., AS REPORTED TO UNITED BUSINESS SCHOOLS ASSOCIATION, MEETING IN DETROIT, MICH., NOVEMBER 6, 1964

We began the manpower development training program for stenographers (MT-284) on November 18, 1963.

The Michigan Employment Security Commission (MESC) had selected the students on the following basis:

Age, 17 through 21 years; sex, female preferred; education, graduation from high school with course in typing and shorthand; physical attributes, weight in proportion to height; ability to pass prescribed proficiency test in spelling, shorthand, and typing and specific aptitude-test battery for stenographer B-215 norms:

G. Intelligence	95
P. Form perception	100
Q. Clerical perception	100
K. Motor coordination	100

Class hours were from 8 a.m. to 3 p.m., 5 days a week, for 24 weeks; or, 720 clock-hours.

These hours were divided as follows:

	Hours
Stenographic and clerical skills	375
English and communications	125
Computational skills	120
Clerical-secretarial procedures	80
Transcribing and duplicating machines	20

Subjects included in the program were: "Typewriting," "Gregg Shorthand," "Machines" (comptometer, Burroughs calculator, Ditto, mimeograph), "English," "Word Studies," "Mathematics," "Payroll," "Secretarial Procedures," "Charm and Personal Improvement."

At the end of the 11th week, one girl dropped voluntarily. She was to be married. At the end of the 12th week, two were dropped for poor attendance which meant poor grades.

At this point, three more students were entered and they completed the remaining 12 weeks of training. One of these three was put into a clerk-typist program. Two others were changed to clerk-typist because of slow progress in shorthand.

The program ended on May 8, with 24 of the 25 enrolled. Four of these girls were Caucasian, 20 Negro. The one girl dropped at the end of the 17th week because she found employment; a stenographic job.

The attendance and interest in study was excellent. There were absences only when necessary. Five of the students had perfect attendance.

These students had looked for employment and found themselves unable to pass tests, therefore, they were "motivated" to get the most out of the program.

Statistics on the group are interesting:

The average age—18.8 years.

Twenty were graduates of local public high school.

Five were graduates of local parochial schools.

Two were from suburban schools (Ecorse and Hamtramck).

One graduated from a high school outside of Metropolitan Detroit area.

Ten graduated from high school within the last year.

Eight graduated between 1 and 2 years earlier.

Ten had graduated over 2 years earlier.

Ten had office work experience (three full-time jobs, seven part time).

Compensation ranged from $1 an hour to $45 a week. Others had little or no-work experience, babysitting, store clerks, etc.

Before completing the program, we gave the students the Wonderlic and the general clerical (9 part) tests.

On the Wonderlic (with a highest possible score of 50) only 3 scored below 21, which is the average cutoff score used by most businesses. All of these scores are considered passing by most businesses utilizing Wonderlic for personnel selection. On the general clerical test they ranged from the 94th to 40th percentile group.

Interestingly enough, two persons who were below the 50th precentile on the general clerical had high scores on the Wonderlic test.

Typing skills ranged from 76 to 53 words on 5-minute tests. Everyone passed shorthand at 100 words per minute and 8 passed the 120 words per minute. Even though we had to score in terms of words per minute, these girls would also be rated very high in the neatness of their work, letter arrangement on 8½ by 11 or executive size paper, etc. A properly framed letter became a byword to them.

The class in charm and personal improvement made these students very conscious of their appearance and gave them a feeling of confidence, too.

EMPLOYMENT

Even though the Michigan Employment Security Commission was responsible for the placement of these students, the school assisted. When employment calls were received they were given an opportunity to apply. Placement assistance will continue with this group as with all other students.

A survey of these students was made as of November 1, 1964. Eighteen replies were received.

Employment listed was as follows:

One at Jones & Laughlin Steel Co.
One at Ford Motor Co.
Four at University of Michigan.
One at Prudential Insurance Co.
Two at Wayne State University.
Two at Chrysler Corp.
Two at attorney offices.
One at Wayne County Civil Service.
One at Vickers Inc.
One at Burroughs Co.
One at Sears, Roebuck & Co.
One at General Motors.

They are all doing stenographic work. The average earnings are $323.72 per month or $74.70 per week. If each girl has one deduction from her annual salary ($3,884.64) she will pay $456.80 income tax.

For this training program the school received 65.859 cents per hour of training or a total of $474.19 per student. This included all books and supplies. After all taxes are deducted there is left more than $3,000 from which they can save, and purchase durable and nondurable goods.

We feel that this was a wonderful project. We will like to do more of this type of training, since we have a physical setup that is adequate and an experienced staff. Most of all, we have a desire and a willingness to help students of this type who want to prepare themselves for a better job in business.

As we said earlier, the Michigan Employment Security Commission selected the students after determining the employment need. The State department of public instruction selected the school. Both of these agencies were most cooperative and it was a pleasure to work with them.

EXHIBIT B.—CALIFORNIA STATE DEPARTMENT OF EDUCATION, VOCATIONAL EDUCATION

Manpower Development and Training Act projects approved or under consideration

	Fiscal year			Total through January 31, 1965
	1962–63	1963–64	1964–65 through January 31, 1965	
Agricultural education	5	15	20	40
Business education	52	57	81	190
Homemaking education		1	2	3
Industrial education	53	54	83	190
Multioccupation projects		3	17	20
Individual referral projects			3	3
Total projects approved	110	130	206	446
In public schools	97	118	180	395
In private schools	13	12	26	51
Number of trainees provided for	5,581	7,685	15,365	28,631
Amount approved for training	$2,708,354	$4,471,365	$9,515,445	$16,695,164
Average training cost per student	$485	$582	$619	$583
Amount approved for allowances	$3,066,391	$5,879,315	$12,087,703	$21,033,409

EXHIBIT C.—FOLLOWUP SURVEY, AREA REDEVELOPMENT ACT TRAINING PROGRAM CONDUCTED AT DETROIT BUSINESS INSTITUTE, MAY 25 TO OCTOBER 9, 1964

Number of trainees: 120.

Occupational title: Cooperative clerical skills (clerk-stenographer).

Trainee prerequisite: All trainees were high school graduates and had had 1 year of shorthand and/or typing.

Total cost: $38,220 (65 cents per hour per student). This cost included supervision, counseling, instructors' salaries, books and supplies, equipment, and all consumable materials.

Class information: Classes met 35 hours a week. Total project class hours was 490 hours. The 120 students were pretested at Detroit Business Institute and the results showed approximately three-fourths should be trained as stenographers and one-fourth should be trained as clerk-typists.

Training schedule: All students spent the first 8 weeks in school. At the end of 8 weeks, the group was divided into two sections of 60 students each. One section stayed in school for 2 weeks and the other section was placed in vestibule training stations. At the end of 2 weeks, the groups changed places. The groups were rotated every 2 weeks until each student had had 14 weeks of school and 6 weeks of vestibule training. The whole program took 20 weeks to complete.

Placement information: According to the Michigan Employment Security Commission, 86 of the group were employed and 34 were unemployed as of January 26, 1965.

Mr. SNEDEN. I would first like to comment on the general direction of the Manpower Development and Training Act as it is viewed from the private institutions who have participated in the program under contract provision of this act. I was completely surprised to discover that Mr. Roumell, from Michigan, was testifying here today. He certainly gave us some impressive figures on the results of the Manpower Development and Training Act as it is being administered in our State.

We have participated in it, not to a large extent, but we expect that we will be participating in it more and more as time goes on. And I want to endorse enthusiastically what he has said about the success of the program in our State.

I would like to refer, if I may, to our testimony and comment briefly on that.

Our testimony gives a short summary of a stenographer program that was conducted by the Detroit Institute of Commerce in Detroit. This is further supported by exhibit A, which gives a complete breakdown of the excellent results of this particular project.

Now, I have forgotten just the number of people that Mr. Roumell indicated had been trained in Michigan. Of course, this is a very small percentage of the total group. But this is indicative of what the private institution can do in helping to implement the purpose of this program. This is an impressive record that was developed by the Detroit Institute of Commerce. I think one of the things that is most significant is the fact that out of the 24 women who were trained in this course, in a followup check, we found that 18 responded to the survey and all 18 were employed, at an average salary of $323.72 a month, or $74.70 a week.

Mrs. Groom, who is the director of that school, appropriately points out that these people, instead of being on unemployment or on relief, are now productive citizens. Not only are they not a burden on the taxpayers, but they are contributing to the taxes. Each one she indicates here will be paying $486 a year in income taxes.

I would like also to comment on a program that was conducted in one of the schools which I represent. This was a rather unusual program. It is explained fully in exhibit C. I would like to, however, point out the unusual factor of this program was that it was a kind of work-study project in which all students spent the first 8 weeks in school, and at the end of 8 weeks, the group was divided into 2 sections of 60 students each. One section stayed in school for 2 weeks and the other section was placed in vestibule training stations. At the end of 2 weeks, the groups changed places. The groups were rotated every 2 weeks until each student had had 14 weeks of school and 6 weeks of vestibule training.

The whole program took 20 weeks to complete. And this was under the Area Redevelopment Act program. I think that it is significant to note that at a training cost of $319 per student, this project produced 86 people who today are fully employed.

I do not want to guild the lily here, but I wish to emphasize how valuable we think this training is and how effective we think that the Manpower Development and Training Act program is. You have heard a very excellent rundown on that from our representative from Michigan, Mr. Roumell.

But we do want it abundantly clear that we think this is an excellent program, and we hope that it will continue.

Now, there is a problem in connection with the amendments that are being proposed in connection with this legislation. This is a problem of the 90–10 matching requirement as it pertains to continuing to utilize private institutions to train people.

It happens this does not present a problem to us in Michigan, because I have talked with our State director of vocational education, Mr. Robert Winger. He has assured me that the matching funds from the State of Michigan for this program will not interfere with the undercontract program that is now going on and it is anticipated that pri-

vate institutions will be able to continue in the State of Michigan to participate in this program even though the 90–10 matching requirement is there.

However, we have been informed that there may be some States, we know at least of one State, where the 90–10 matching provision would prohibit the participation on the part of private institutions in the undercontract provisions of this legislation.

I have with me two colleagues who are from the State of California, and this is the State that I refer to. I would like to have them at this time express themselves on the problem that they face in this State. Also for them to tell the committee the extent to which they have participated in and contributed to the success of the Manpower Development and Training Act. If we may, I would like to introduce at this time Mr. Clarence Phillips, the president of Heald's Business College, who would like to talk for just a few minutes about his impressions on this problem.

Senator PROUTY (presiding pro tempore). Proceed.

Mr. PHILLIPS. We administer four schools in northern California—San Francisco, Sacramento, San Jose, and Oakland. I am a member of the State advisory committee which is in an advisory capacity to the superintendent of public instruction in promulgation of rules and practices under division 21 of the educational code, which pertains to the regulation of private schools.

I want to establish that fact to denote that I have a working knowledge and acquaintance with the officials who are operating this program in the State of California.

I begin with a question: Does this training job under Manpower Development and Training Act need all of the educational facilities of the country?

Now, our people in California, and we have evidence to substantiate that, tell us that they do need us. Then in another voice, they say, "But, as they interpret, as they interpret the act or the proposed 90–10 amendment to the act, they will no longer be able to contract with us under it."

Now, I do not think it wise to go over all of the projects with which we have been associated, but it is important to point out that the small number of contracts in relation to the aggregate is just a drop in the bucket. We have but 12 projects involving 370 students, but in each of those 12, it is what we classify as a crash program. They awarded them to us because there was no other agency in the State to do it. Half of these, half of the 12, are in cities or towns other than in which we operate business schools at the present moment.

So it is evidently obvious that the trainees would be denied our type of training in California as the matter now stands.

Senator PROUTY. That is because of the interpretation——

Mr. PHILLIPS. That is right. And that is what they tell us.

We have on file an exhibit from the California State Department of Education, which is current, exhibit B, February 16, 1965, in which it states:

There are in California since the beginning of the project until January 31, 1965, 190 projects in business education, the area in which we operate, and of those 190 projects, 51 have been awarded to private schools, which is roughly 25 percent.

So, it goes to point up the fact that should their interpretation of the proposed 90–10 maintain itself in the State of California, these people would be denied this service.

Senator PROUTY. Would you like to include that? Is that an exhibit which you wish included in the record?

Mr. PHILLIPS. Yes; it so happens that the previous chairman asked a man from Michigan for some statistics. I do not know how this came about, but I have it for California. The number of persons enrolled, the number of persons completing the course, and the number who obtained jobs related to the training by date of the 3d month, the 6th month, and the 12th month; and also those obtaining nontraining related jobs from July 1962 to July 1964 to date, and for the month of September. If the committee would like that, I would be glad to submit it as exhibit D.

Senator RANDOLPH. Without objection, it will appear at this point in the record.

(Exhibit D follows:)

Exhibit D

Table 1.—*Employment status* [1] *of persons trained under Manpower Development and Training Act as of specified followup, July 1962–December 1964*

Item	Enrolled	Completing course	Number of trainees					
			Obtaining training related jobs			Obtaining nontraining related jobs		
			By date of 3d month followup	By date of 6th month followup	By date of 12th month followup	By date of 3d month followup	By date of 6th month followup	By date of 12th month followup
I. Statewide accumulated totals (July 1962 through December 1964): [2]								
Institutional	7,879	5,698	3,791	3,843	3,876	382	391	396
Youth	1,700	1,188	804	812	817	74	74	75
On-the-job-training	586	512	295	314	314	4	[3] 5	[3] 5
Youth	44	44	9	10	10	1	[3] 1	[3] 1
II. Statewide accumulated totals (January 1964 to date): [2]								
Institutional	5,192	3,665	2,400	2,452	2,485	206	215	220
Youth	1,021	662	440	448	453	35	35	36
On-the-job-training	580	506	289	308	308	4	[3] 5	[3] 5
Youth	44	44	9	10	10	1	[3] 1	[3] 1
III. Statewide totals, (month of December 1964: [2]								
Institutional	1,778	1,277	255	476	903	25	44	76
Youth	371	232	70	107	159	7	10	13
On-the-job-training	63	63	0	50	50	0	2	2
Youth	3	3	0	2	2	0	0	0

[1] The employment status of each trainee is determined as of a specified reference week during the 3d, 6th, and 12th months following the month in which training was completed. Data for each followup period are cumulative from completion date of training sections.

[2] If an OJT trainee is not placed by the department of employment but instead is hired directly by an employer or he obtains a job through a union hiring hall or by some other means, no followup contact is made with him. For this reason, the totals for institutional courses should not be added to the totals for OJT courses in order to compute an "overall" percentage of trainees obtaining training related jobs. Such a computation would result in an understatement of the true proportions.

[3] Decrease in number from previous followup is due to trainees who were employed in nontraining related work as of previous followup obtaining training related work as of the most recent followup.

Employment status of persons trained under the Manpower Development and Training Act, 3d month followup information for reference week of Dec. 6–12, 1964, received during January 1965

Project	Section	Title	Local office	Completion date	Number of trainees			
					Enrolled	Completing course	Obtaining training-related jobs	Obtaining nontraining-related jobs
Institutional, statewide total [1]					621	440	255	25
Youth					203	121	70	7
On-the-job-training, statewide total [1]					0	0	0	0
Youth					0	0	0	0
Cal 107	2	Clerk-typist	Van Nuys E.S.	Sept. 11, 1964	33	22	8	0
Cal 117	2	Electronic technician	do	Sept. 18, 1964	54	30	11	1
Cal 201	1	Licensed vocational nurse	Palo Alto	Sept. 11, 1964	30	16	8	0
Cal 209	1	do	Marysville	do	16	10	10	0
Cal 218	2	Secretary	San Mateo	Sept. 4, 1964	25	14	9	1
Cal 222	1	Licensed vocational nurse	Modesto	do	17	8	7	0
Cal 228	2	Clerk-typist	Culver City	do	25	21	16	0
Cal 237A	1	Clerk, general	San Francisco youth opportunities E.S.	Sept. 18, 1964	50	29	13	4
Cal 237L	1	Blacksmith apprentice	do	Sept. 30, 1964	12	0	0	0
Cal 271	3	House cleaner (medical service)	San Diego E.S.	Sept. 13, 1964	33	28	8	2
Cal 295	1	Stenographer	Van Nuys E.S.	Sept. 11, 1964	36	24	9	2
Cal 296	1	Grocery checker	Sacramento E.S.	Sept. 4, 1964	44	37	28	3
Cal 297	2	Calculating machine operator	Oakland E.S.	Sept. 2, 1964	16	14	8	2
Cal 300	3	Nurse aid	San Mateo	Sept. 4, 1964	16	14	13	0
Cal 307	2	Groundsman gardener	Richmond	Sept. 18, 1964	20	13	4	3
Cal 318	1	Nurse, staff	Van Nuys E.S.	Sept. 4, 1964	11	10	7	1
Cal 320	1	Clerk-typist	Pasadena	Sept. 11, 1964	24	23	14	0
Cal 328	1	Nurse aid	Oceanside	Sept. 25, 1964	18	18	15	0
Cal 330	1	Nurse aid, orderly	Santa Ana E.S.	do	30	28	23	2
Cal (R) 5001	1	Farmhand, poultry	San Marcus farm labor	Sept. 6, 1964	20	14	12	1
Cal (R) 5003	2	Salesperson	Palo Alto	Sept. 4, 1964	35	27	17	0
Cal (M) 5014	001	Farmhand, general	Visalia farm labor	Sept. 1, 1964	25	16	3	3
Cal (R) 5017	1	do	Bakersfield farm labor	Sept. 25, 1964	9	6	3	0
Cal (R) 5022	2	Service station attendant	Palo Alto	Sept. 4, 1964	22	18	9	0

[1] If an OJT trainee is not placed by the department of employment but instead is hired directly by an employer or he obtains a job through a union hiring hall or by some other means, no followup contact is made with him. For this reason, the totals for institutional courses should not be added to the totals for OJT courses in order to compute an overall percentage of trainees obtaining training-related jobs. Such a computation would result in an understatement of the true proportion.

Employment status of persons trained under the Manpower Development and Training Act, 6th month followup information for reference week of Dec. 6–12, 1964, received during January 1965

Project	Section	Title	Local office	Completion date	Number of trainees			
					Enrolled	Completing course	Obtaining training related jobs	Obtaining nontraining related jobs
Institutional, statewide total [1]					448	310	221	19
Youth					63	45	37	3
On-the-job training, statewide total [1]					63	63	50	[2] 2
Youth					3	3	2	[2] 0
CaJ–36–37	1	Pressman-cameraman	Oakland E.S	June 17, 1964	19	19	14	[2] 1
CaJ–36–27	2	do	do	June 18, 1964	22	22	18	0
CaJ–36–37	3	do	do	June 20, 1964	22	22	18	[2] 1
Cal–23	3	Licensed vocational nurse	San Francisco Ind'l E.S	June 2, 1964	30	9	5	0
Cal–72	1	do	Oakland E.S	June 29, 1964	14	9	9	0
Cal–100	2	Clerk-typist	San Jose E.S	June 19, 1964	26	21	18	1
Cal–208	8	Nurse aid	Van Nuys E.S	June 26, 1964	22	18	13	0
Cal–213	1	Stationary engineer	Los Angeles Ind'l E.S	do	25	18	12	1
Cal–229	1	Welder, combination	Fresno	June 28, 1964	23	10	7	2
Cal–233	1	Farm mechanic	El Centro farm labor	June 26, 1964	20	7	6	1
Cal–234	1	Stenographer	Fresno	June 21, 1964	31	21	16	[2] 2
Cal–242	2	Groundskeeper	San Mateo	June 12, 1964	17	14	7	[2] 1
Cal–250	1	Secretary	Santa Rosa	do	15	12	9	1
Cal–265	1	Stenographer	San Bernardino	June 3, 1964	26	22	16	3
Cal–266	1	Clerk-stenographer	Santa Barbara	June 19, 1964	25	21	11	1
Cal–271	2	House cleaner (medical service)	San Diego E.S	do	31	24	16	0
Cal–277	1	Clerk, general office	Sacramento E.S	June 2, 1964	30	21	13	2
Cal–278	4	Nurse aid	Santa Rosa	June 5, 1964	15	13	12	0
Cal–279	1	Secretary (medical)	San Diego E.S	June 19, 1964	24	14	11	0
Cal–281	2	Nurse aid, orderly	do	June 28, 1964	23	20	13	0
Cal–285	2	Nurse aid	Santa Cruz	June 5, 1964	12	9	7	2
Cal–300	2	do	San Mateo	June 19, 1964	19	11	8	0
Cal–307	1	Groundsman gardener	Richmond	June 28, 1964	20	16	12	[2] 2

[1] If an OJT trainee is not placed by the department of employment but instead is hired directly by an employer or he obtains a job through a union hiring hall or by some other means, no followup contact is made with him. For this reason, the totals for institutional courses should not be added to the totals for OJT courses in order to compute an "overall" percentage of trainees obtaining training related jobs. Such a computation would result in an understatement of the true proportion.

[2] Decrease in number from previous followup is due to trainees who were employed in nontraining related work as of previous following obtaining training related work as of the 6th month followup.

Employment status of persons trained under the Manpower Development and Training Act, 12th month followup information for reference week of Dec. 6–12, 1964, received during January 1965

Project	Section	Title	Local office	Completion date	Number of trainees			
					Enrolled	Completing course	Obtaining training-related jobs	Obtaining nontraining-related jobs
Institutional, statewide total [1]					709	527	427	32
Youth					105	66	52	3
On-the-job-training, statewide total [1]					0	0	0	0
Youth					0	0	0	0
Cal-18	1	Licensed vocational nurse	Sonora	Dec. 27, 1963	12	10	10	0
Cal-24	2	Reproduction typist	San Diego E.S	Dec. 20, 1963	48	32	24	3
Cal-43	1	Electronic technician	Santa Monica	do	28	13	9	4
Cal-48	1	Licensed vocational nurse	Hayward	Dec. 27, 1963	26	17	17	0
Cal-92	1	Secretary, insurance	San Francisco Prof. and Comm. E.S	Dec. 16, 1963	17	8	6	[2] 2
Cal-95	5	Nurses aid	Glendale	Dec. 6, 1963	13	12	9	2
Cal-100	1	Clerk-typist	San Jose E.S	do	22	22	18	[2] 0
Cal-101	1	Stenographer	do	Dec. 27, 1963	19	10	10	0
Cal-203	4	Nurses aid	do	Dec. 1, 1963	12	10	9	0
Cal-205	2	do	Hayward	Dec. 11, 1963	15	11	8	1
Cal-208	3	do	Van Nuys E.S	Dec. 20, 1963	19	14	13	1
Cal-227	2	do	Modesto	do	17	13	8	2
Cal-230	1	do	Ventura	Dec. 18, 1963	30	27	20	1
Cal-238	1	Tree pruner	San Jose farm labor	Dec. 6, 1963	62	52	40	0
Cal-239	1	Nurses aid	Porterville	Dec. 22, 1963	19	18	14	2
Cal-241	1	Tree pruner	Hollister	Dec. 15, 1963	29	26	22	1
Cal-243	1	do	Gilroy	do	47	42	40	[2] 0
Cal-244	1	do	Bakersfield	Dec. 20, 1963	26	14	9	2
Cal-244	2	do	do	Dec. 29, 1963	20	15	9	0
Cal-245	1	do	Fresno farm E.S	Dec. 22, 1963	55	42	39	2
Cal-245	2	do	do	Dec. 29, 1963	58	41	36	2
Cal-246	1	do	Watsonville	Dec. 18, 1963	32	17	14	1
Cal-253	1	do	Lodi	Dec. 27, 1963	43	28	23	1
Cal-260	1	Salesperson	San Jose E.S	Dec. 13, 1963	40	33	20	5

[1] If an OJT trainee is not placed by the department of employment but instead is hired directly by an employer or he obtains a job through a union hiring hall or by some other means, no followup contact is made with him. For this reason, the totals for institutional courses should not be added to the totals for OJT courses in order to compute an "overall" percentage of trainees obtaining training-related jobs. Such a computation would result in an understatement of the true proportion.

[2] Decrease in number from previous followup is due to trainees who were employed in nontraining-related work as of previous followup obtaining training-related job as of 12th month followup.

Mr. PHILLIPS. My time is up, Mr. Chairman. Thank you for the opportunity, and it will give us a background for something that we intend to present later on.

Senator PROUTY. Thank you.

Mr. SNEDEN. Thank you, Mr. Phillips.

Now, I would like to introduce Mr. Harrison Myers, Jr., who is secretary-treasurer of the Sawyer Schools in southern California.

Senator PROUTY. We are glad to have you here.

Mr. MYERS. Senator, I was quite interested in listening to the story of Michigan, and I am particularly happy I got here early enough to do that.

California, as you know, spends a tremendous amount of money on public education, through the various community colleges—89 of those, 18 State colleges and about 9 branches of the University of California.

However, we find that we have a very definite problem in order to continue with the type of training where we think we are reaching a segment of the population of this hard-core group that we will not be able to meet under the interpretation as you put it of the 90 to 10 factor.

Now, we have been told on many occasions, and it has been publicly stated by Mr. R. C. Van Wagenen, who is chief of the Bureau of Business Education, that the Manpower Development and Training Act training needs in California cannot be met other than by having all of the private schools and all of the public tax-supported schools participating in the program.

Senator PROUTY. Mr. Myers, could I interrupt you at that point? Would you explain at this point just what you mean by hard core?

Mr. MYERS. Not the cream of the crop, we are not skimming the top.

Senator PROUTY. Are they high school graduates?

Mr. MYERS. No. I would say in many instances these are people with sixth grade reading ability and comprehension. I was going to try to describe to you in a moment a typical Manpower Development and Training Act student, if you would like that.

I think I would like to outline our program a little more, the people who have been responsible for the training, and particularly Mr. Van Wagenen has made this statement about needing us.

Now, every program, and we in Sawyers have had 24 Manpower Development and Training Act training programs. They have either been completed or in the process of being completed by June 30, at the end of this year.

In almost every instance those programs came to us because the public school system in a particular area either was not willing or too slow or some other reason that they did not accept or wish the program.

In most cases, these were in areas dealing with large minority-group population.

They then came to us and said, even out of our district, Compton, Calif., which is a very, very high—way over the national average of unemployment, almost—a very large percentage of minority-group people who are forming this hard core. We set up a specialized program and on about 2-weeks' notice, we were ready to go.

This is, I think, where we have been answering a need that I hope we will be able to continue to answer, and we have a solution, we think, for the 90 to 10 that we will call to your attention.

Let us talk a minute, if I may, about this typical Manpower Development and Training Act student. With our first 122 students, I was quite interested in the program and I talked many times with each of those students during the course of their training, and after it. They were heads of family ranging in age from perhaps 18 to 55. They had had other jobs and lost jobs. They had personal problems. Many times they were in broken homes, a rather difficult group to bring into a traditional type of training program.

We believe in our private school methods of education and operation we are particularly well equipped to deal with this kind of student, and we feel it would be a great loss if those people are deprived of our private school type of training, in California.

Senator PROUTY. You mentioned some students as old as 55. They would be greatly in the minority, would they not?

Mr. MYERS. Yes.

Senator PROUTY. What would the average age be?

Mr. MYERS. I would say the average age is probably 26 or 27. In fact, we made sort of a survey of that, and it came out about 27 years of age. From 18 to that 55 range.

Now, the mature woman whose husband has left the home and she has to support children is able to be trained for jobs, and we have been quite successful in this. In fact, the private business schools are educating a more mature type of person than the recent high school graduate—at least, in California they are, because of the multiplicity of educational opportunities that face the high school graduate of going on from that point.

So most of our students are mature. Now, these people who have lost their confidence, and we have to restore this as well as to give them the training. We are able, I think, to have a high completion rate because these people cannot go to school for a year somewhere. They have great difficulty going to school for 16 weeks. They have study problems at home with children and no husband, perhaps. We attempt, of course, to try to solve this problem through individual attention, which the private school, I think, historically, has been noted for providing.

Senator PROUTY. Have any of these people received training allowances?

Mr. MYERS. Yes.

Senator PROUTY. All of them?

Mr. MYERS. Heads of families have. Now, you, of course, have liberalized under this new amendment the training allowance to where you do not have to qualify as head of the household in order to get it. I would say that in the majority of the cases the people we are training are heads of household.

Now, they are women whose husbands are either not working or have perhaps disappeared, or something has happened, anyway, or divorced.

We have been expanding then in this program outside of our local area. I mentioned we had 24 programs. We have completed 168

students in training. We have 395, making a total since the inception date, of 563 students, which is a pretty large percentage of the number of business education student training.

Now, the results—80 percent of the people who start our training program, and please remember that programs in private institutions are shorter than a similar training program in a public school, which means that we are able to get them into employment at least a month and sometimes 2 or 3 months sooner than they would otherwise. Traditionally, this has been our policy in education. Seventy-four percent of the completed people have been and are gainfully employed. We made a survey of our first 160 people who completed the training program, and of those 160, those we were able to trace, some have moved into other areas, but of those 160, 142 are still employed.

Senator PROUTY. At this point, I might ask this in the form of a question. You do not have any voice in making the selections of these students?

Mr. MYERS. That is correct.

Senator PROUTY. They are sent to you?

Mr. MYERS. We sent the proposal. We are requested by the State. First of all, the department of employment in these areas have these people ready to go and they have been tested and their interests have been determined, and then they notify, as you know, the State department of education, and then they ask us to submit a proposal. I think they first go to the public schools and if for some reason the public schools cannot or will not handle the program, then they will come to us and say, "We have 30 students to be trained as clerk-typists, for example. Will you take the program?" These are people who are located in Compton. I am mentioning this Compton area because there were over 300 people ready to be trained in the Compton area and they were forced to wait 6 months before they could get into the training program. And this delay costs a lot of money, because, naturally, they were receiving unemployment compensation during this period of time. It kept them from getting into jobs 6 months sooner, where they again could contribute and take their rightful place.

I would like to express my very sincere appreciation of what the Manpower Development and Training Act has been able to do for this hard-core group of unemployed. I am only hopeful that under the proposed 90–10 law that we in California, where I believe we lead the Nation in total number of people trained, that we in private schools may continue to do the training job that has to be done and cooperate closely with the public schools in this worthwhile endeavor.

I thank you.

Senator PROUTY. Thank you, Mr. Myers. Your testimony has been most helpful.

Senator RANDOLPH. If the Federal Government were to cut our defense program, what situation would come into being in California? Would the accomplishments realized through the Manpower Development and Training Act stem the tide of unemployment which would roll in on you, if our defense establishments, manufacturing units, were cut? What would be the value of this program at a time like that?

Mr. MYERS. I think I could anticipate what would happen under those circumstances. A large portion of the people employed in south-

ern California are in defense industry contracts. Many of them are in specialized jobs and semiskilled jobs, which perhaps do not exist in other lines of industry and they would be after a period of time, I am sure, on the unemployment rolls.

Now, this Manpower Development and Training Act training program that is specifically designed first of all to ferret out who those people are who now for one reason or another are unemployed and what has to be done, what kind of training, and into what area of training should they be sent so that at the conclusion of the training program they are now retrained and reemployed.

I feel that it will increase, naturally, the necessity for the need of the Manpower Development and Training Act.

Senator RANDOLPH. Thank you for your response.

Mr. MYERS. Our real problem is on matching funds, and I came here to Washington feeling that I was hopeful that we could eliminate the matching funds situation, because we have been told that under the matching fund basis, when it applied to subsistance allowances specifically that California regulations would not allow them to use private schools, and they are expressing great concern and have had many meetings in Sacramento trying to find a way around the problem. It requires legislative action, and now they are already making plans for the next fiscal year, but not to use private schools with the proposed 90–10 amendment.

Mr. SNEDEN. Thank you very much, Mr. Myers.

We have a proposed amendment that we would like to submit. But before that, I would like to comment on one other phase of our prepared testimony. On page 12 of the testimony, we talk about individual referrals. We feel that this has great potential as a means of correcting unemployment.

One of the big problems that we experience is that we may have in a particular area five or six, or maybe two or three people who are unemployed and who could become employed if they had the training. We would like to see an expansion of this individual referral process operating on somewhat the same basis as the vocational rehabilitation program. The private institutions have beeen participating in this vocational rehabilitation program for 45 years, and we have a long and proud history in that work.

We see that there is a very significant parallel here between the person who is physically handicapped and the person who is handicapped from the standpoint of training. If we could expand this element of the Manpower Development and Training Act, it would be most helpful, and I was encouraged to get a copy of the letter from the U.S. Department of Labor to all State employment security agencies.

This is a rather long communication that has been introduced as an exhibit. It is USESPL No. 1666—the U.S. Employment Service program letter No. 1758 of January 26, 1965. And in it, it outlines Act training on less than a class-group basis, and we would hope that the procedures governing the Manpower Development and Training Act training on less than a class-group basis, and we would hope that the Congress could do everything in its power to encourage the expansion of this type of program.

(Exhibit E follows:)

EXHIBIT E.—PROCEDURES GOVERNING MANPOWER AND DEVELOPMENT TRAINING ACT TRAINING ON LESS THAN A CLASS-GROUP BASIS

Reference: USESPL No. 1666.
Purpose: To clarify procedures for preparing training proposals for funding less than class-group referrals.

This letter revises previously issued instructions on providing Manpower Development and Training Act training on less than a class-group basis.

Many occasions arise when it is not practical to organize a Manpower Development and Training Act course to train workers for a specific occupation, but circumstances are appropriate for the inclusion of one trainee, or a few Manpower Development and Training Act trainees, in an existing public or private training program. The individual method of referral outlined herein is designed to supplement existing class-group referral procedures, which should continue to be used whenever possible. The procedures follow closely, with modifications, those contained in chapters III and IV of the Manpower Development and Training Act Handbook.

When it is determined that an individual unemployed worker needs training in an occupation for which no suitable Manpower Development and Training Act course is available in his locality, nor are there plans to develop such a course during the next 45 days, the local office should ascertain whether the individual can be included in a course being offered in another location in the State. This may be determined by communicating with the Manpower Development and Training Act coordinator in the State office. To facilitate out-of-area referral, State agencies should circulate to all local offices lists of Manpower Development and Training Act courses which are being set up throughout the State.

In instances where demand in an occupation is scattered and apparently not sufficient to justify the establishment of separate training classes with 10 or more trainees in a number of different locations, the development of centralized area or statewide training projects should be considered.

In both of the above situations, trainees would be provided transportation and subsistence allowances to enable them to attend courses beyond commuting distance from home.

The following procedure applies to situations where (1) training is needed in an occupation for which there is not sufficient demand throughout the State for establishment of a statewide course; (2) a project has little likelihood of commencing within the 45-day period prescribed above; or (3) a Manpower Development and Training Act training course is available elsewhere in the State, but the course already has started, the classes are full, or, for other reasons, it is not practicable to include an individual.

1. Selection of trainees and determining the training need

Persons may be selected for referral to training on an individual basis when counseling results in a substantive determination that the individual cannot reasonably be expected to secure appropriate full-time employment without training assistance under the act. Particular attention should be paid to (1) applicants not qualified at the entry level or higher for any suitable occupation in which there is reasonable expectation of employment; (2) applicants qualified only in occupations which have changed so that the workers' present abilities to perform the work are obsolete or inadequate; (3) applicants qualified only in occupations which characteristically offer minimal employment stability, e.g., work that is seasonal or transitory; (4) handicapped persons, older workers; or educationally deficient persons who, because of specialized training needs, could not readily be accommodated in the Manpower Development and Training Act training courses organized on a class-group basis; and (5) persons living in rural areas or small communities in which there is limited occupational demand or training opportunities.

Where training facilities have continuous courses and entrance into such courses is possible for regular students at any time, Manpower Development and Training Act trainees should be enrolled in these courses the same as any other trainee. Otherwise eligible workers who are currently pursuing training under their own auspices will not be blanketed in for payment of training allowances, training costs, or other Manpower Development and Training Act benefits.

The training needs of individuals should be determined by interviewing, testing, and counseling, taking into account such factors as the applicant's prior edu-

cation, work history, interests, aptitude, motivation, and availability for training or employment outside of the area in which he lives.

2. Determination of the occupation for which training is to be given

The counseling interview with an individual may suggest a range of occupations for which training would be suitable. Within this range, a determination must be made in consultation with the trainee as to the most appropriate specific occupation, taking into account the labor outlook for various occupations, duration of training to qualify for the occupation, and availability of training facilities.

The "reasonable expectation of employment" provisions of the act must be satisfied regardless of the referred method. To identify occupations for the individual referral method, State and local offices should utilize fully all pertinent sources of data of the employment security system, including such indicators as unfilled job orders, area-skill surveys, and employer relations representatives' reports. Reasonable expectation of employment will be considered to exist if there is an indication that employment opportunities in the occupation exist in the community, within the State, within bordering areas of adjoining States, or on a nationwide basis.

Reasonable expectation of employment will also be satisfied in the following circumstances:

(*a*) The applicant for training has a written job offer from a prospective employer which also attests to the employer's understanding that the worker will not be available until completion of a course of training. In such cases, it should be ascertained that the applicant has the necessary qualifications to benefit from training and could adjust to the occupation for which training is proposed. Care should be exercised to prevent furthering discriminatory hiring practices of employers.

(*b*) The individual is to be referred to a training facility which has a successful record in the placement of its students in the occupation for which training is proposed.

While it would not be practicable to discuss each individual referrel with local Manpower Development and Training Act advisory committees, the committees should be advised of the purpose and progress of less than class-group projects.

3. Preparation and approval of less than class-group training proposals

Less than class-group projects will be authorized on a fiscal year basis. Once during each fiscal year States may submit on Form MT–2—Application for Occupational Training Program Under the Manpower Development and Training Act: Institutional, to the Federal review team for approval, a project proposal indicating the estimated number of trainees who are to be referred on a less than class-group basis during that fiscal year. Such proposals should be prepared jointly by the State employment security and vocational education agencies, in accordance with current Manpower Development and Training Act procedures. The approval of a form MT–2 to cover referrals to less than class-group projects on an annual basis will eliminate the need for frequent Federal review meetings.

The form MT–2 should show estimates for training, allowances, subsistence, and transportation to cover the full length of training for all less than class-group referrals that are expected to be made in the current fiscal year. Fiscal year breakdowns should be shown where pertinent. Forms OE–4000, Expenditures for Occupational Training, and OE–4014, Guide for Preparation of Training Plan, are not required as attachments, but a statement should accompany the form MT–2 explaining the basis for the estimates.

Proposals should be reviewed periodically to assess estimated referrals and costs in relation to actual experience. As adjustments are made in training plans, either to increase or decrease the original estimates of referrals, an amended form MT–2, with supporting documents, should be submitted so that additional funds may be obligated, or excess funds may be deobligated. Appropriate preaudits and postaudits will be made by Federal authorities.

Each form MT–2 for a less than class-group project should be numbered as specified in USESPL No. 1666.

4. Referal of individuals to training

Applications for the referral of individuals to training should be developed by local employment service and vocational education authorities and submitted to State agencies for approval on Form MT–3: Individual Certification for Man-

power Training (copy attached). The signature of the State employment security agency administrator or his designee constitutes approval of the individual certification (form MT–3). The State employment security administrator certifies to the need for training in the occupation, and the State vocational education director designates the training facility. Upon receipt of an approved form MT–3 from the State agency, local officers will refer individuals in accordance with existing procedures.

A sufficient number of copies of form MT–3 should be prepared to meet the needs of State agencies and to provide four signed copies of approved certifications to the Bureau's regional office and four assigned copies to the regional office of the Department of Health, Education, and Welfare. The Bureau's regional office will forward two copies to the Bureau's national office (attention: ETPD) and one copy to the appropriate field director of the Office of Manpower Automation, and Training. Each approved form MT–3 should be identified with the project number assigned to the approved form MT–2, followed by three additional digits, numbered consecutively, starting with – 001, – 002, – 003, etc.

5. Payment of training allowances, transportation, and subsistence

The same rules of eligibility for allowances apply to individual referrals as to those selected on a group basis. (See chapter VI, MDTA Handbook.)

6. Reporting instructions

At the end of each month, costs of training, subsistence, and transportation allowances should be reported to the Bureau's national office on Form ES–149: Report of Training, Subsistence, and Transportation Allowances, Obligations and Expenditure by Projects, and be charged to the MT–2 project number. Activities regarding trainees who are provided training on less than a class-group basis are to be reported on the required statistical reports. Characteristics detail for each of these trainees is to be reported on Form MT–101: Characteristics of Trainees, in accordance with instructions in chapter VIII of the MDTA Handbook.

7. Determination of training institutions or courses for individual referral

The State vocational education authorities, with the cooperation of their local counterparts, should be requested to prepare and maintain a list of public and private training facilities within the State, which, in their judgment, are designated as capable of entering into and completing satisfactorily training arrangements under the auspices of the Manpower Development and Training Act. Such facilities might include, for example, those authorized for training under the Veterans' Administration readjustment, war orphan, and vocational rehabilitation programs. Since some courses offered by an acceptable facility may be beyond the scope of the Manpower Development and Training Act training, or may be unacceptable for some other reason, an additional listing should be prepared, where possible, identifying acceptable courses found in each training facility. All training must be conducted in facilities designated by State vocational education authorities. Assurances that training will be given on a nondiscriminatory basis should be obtained from all approved training facilities.

8. Merger of fiscal year 1965 projects

States having more than one less than class-group project approved for fiscal year 1965 should combine such projects into a single project. This can be accomplished by submitting an amended form MT–2, preferably for the earliest fiscal year 1965 project, to combine all less than class-group training estimates for the year. Additional forms MT–2 should be submitted at the same time to cancel projects from which no referrals have been made and which are incorporated by the above procedure. It should be noted that projects from which referrals have been made may not be canceled, but should be amended by submitting a form MT–2, reducing the approved project commitment to the amount actually obligated.

Manualization required: None.

Rescissions: USESPL No. 1582, and changes 1 and 2. (Remove enclosure 2 from USESPL No. 1582, annotate it as "Attachment 3," and attach it to this program letter.)

Sincerely yours,

ROBERT C. GOODWIN, *Administrator.*

Attachment 1 to USESPL No. 1758

USDL/DHEW Form No. MT-3
(Rev. January 1964)

INDIVIDUAL CERTIFICATION FOR MANPOWER TRAINING
(Under PL 87-415, Manpower Development and Training Act)

1. Name of Trainee _____ Certificate No. _____

2. Address of Trainee _____ Date of Issue _____

3. Social Security No. _____ Unemployed ☐ Underemployed ☐

4. Labor Area _____
(Name) (Number) (County) (State)

5. Local Office _____
(Name) (Number) (County) (State)

6. Occupation _____ DOT Code _____

7. Training Facility _____ Public ☐ Private ☐

Address _____

8. Length of Course: Total Instructional Hours _____ Hours Per Week _____

No. of Weeks in Period of Enrollment _____

9. Beginning Date _____ Ending Date _____

COSTS

	(1) ITEM	(2) FY_____	(3) FY_____	(4) Total
10.	Tuition (or Pro rata Cost) (Outline of Curriculum Attached)	$_____	$_____	$_____
11.	Estimated Allowances for Training, Subsistence, and Transportation	_____	_____	_____
	a. Training	_____	_____	_____
	b. Subsistence	_____	_____	_____
	c. Transportation	_____	_____	_____
	TOTAL ALLOWANCES (a, b, and c)	_____	_____	_____
12.	TOTAL (Items 10 and 11)	_____	_____	_____

CERTIFICATION

The undersigned has selected and referred the person for training in the occupation as specified on the reverse side of this document, and certifies with respect thereto that: (1) There is reasonable expectation of suitable employment in the occupation; (2) Applicants qualified for referral are not expected to be available in numbers exceeding the number of job openings anticipated in the occupation; (3) The provision of this training will not assist in relocating employing establishments from one area to another within the meaning of Section 306(b) of Public Law 87-415; and (4) Selection and referral will be accomplished on a nondiscriminatory basis. The payment of allowances is hereby authorized.

Local ES Office Manager Date State ES Agency Administrator Date

The undersigned has agreed to provide training for the persons as indicated on the reverse side of this document and certifies with respect to this training that: (1) The curriculum and cost of the training are satisfactory; (2) Suitable training in the occupation on a project basis is not now feasible; (3) Neither the State nor the community has reduced or will reduce its own level of expenditure for vocational education and training for reasons in any way relating to Public Law 87-415; and (4) Training will be provided on a nondiscriminatory basis. Expenditure of funds for training or tuition is hereby authorized.

State Director of Vocational Education Date

Attachment 2 to USESPL No. 1753

INSTRUCTIONS FOR PREPARATION OF USDL/USDHEW FORM NO. MT-3

Purpose of Form MT-3

Form MT-3 is to be used exclusively for individual certifications by the State employment security agency administrator and the State director of vocational education, when a regular MDTA program is not practical. It is not to be used for MDTA training approved on a regular project basis.

Instructions for Preparation

Item 1: Enter last name, first name, and middle initial of the individual trainee to be referred. A separate form should be used for each individual.

Certificate Number: Each approved Form MT-3 should be identified with the project number assigned to the approved Form MT-2 followed by a dash and three additional digits numbered consecutively, starting with - 001, - 002, - 003, etc. For example, Mo(X)5001 - 001.

Item 2: Self-explanatory.

Item 3: The appropriate box should be checked to indicate eligibility of an individual for training allowances, and/or applicability of requirement for State-matching funds.

Items 4 & 5: Self-explanatory.

Item 6: The training objective for the program in which the trainee is to be enrolled will be recorded in this item.

Item 7: Self-explanatory.

Item 8: Enter total number of instructional hours exclusive of scheduled vacation time and number of hours per week. The number of weeks in the period of enrollment should include vacation, if any.

Item 9: Self-explanatory.

Item 10: Enter the total tuition cost for the individual program. This may be the prorata share of costs where the program is offered in existing vocational training programs offered by the State, including those sponsored under Federal-State vocational education

acts. Attach a topical outline of the major units of instruction, and the approximate time to be devoted to each unit.

Item 11: Enter the estimated amount of funds to be expended for allowances for training, subsistence, and transportation during the current fiscal year, in column (2) for subitems a, b, and c, and the amount to be expended for these items for the next fiscal year in column (3). Enter total Department of Labor cost for each subitem in column (4).

Item 12: Show total costs for each column on line 12.

Distribution

A sufficient number of copies of Form MT-3 should be prepared to meet the needs of State agencies and to provide four signed copies of approved certifications to the Bureau's regional office and four signed copies to the regional office of the Department of Health, Education, and Welfare.

Upon receipt of approved Form MT-3 certifications from the State office, the local offices will issue referral to training notices to the trainees and to the training facilities, in accordance with existing procedures.

Mr. SNEDEN. We have developed after very careful study a proposed amendment which in our judgment would correct the situation that is being faced by the private institutions in the State of California. I do not know how many other States will face this, but we know it exists in California.

This is not very long, and I would appreciate the opportunity to read it to you. Perhaps, you might have some questions.

Our interpretation of section 241 leads us to the conclusion that the 90–10 percent formula would also be applicable to the last sentence of section 231 which permits the Secretary of HEW to contract directly for training in those States where there is no agreement or there is not certain training under the agreement.

The sentence reads:

In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions.

It would seem to us that the intent of the last sentence of 231 is to permit the Secretary of HEW to act when, for some reason, the State has no agreement or is not providing some aspect of needed training. The purpose of the last sentence of 231 is to permit the Secretary to move into a vacuum.

How then under proposed section 241, as introduced, can the State be expected to match 90–10 percent in the very situation where it is not acting on its own initiative? Can it be forced to match when there is no agreement or there is some lack of training under the agreement? Therefore, we respectfully suggest the following amendments to both section 231 and section 241.

Section 241 would be amended to exclude the last sentence of proposed section 231 from the 90–10 percent limitation so as not to limit the action of the Secretary when called for. The additional phrase is: "except for training pursuant to the last sentence of section 231."

Proposed section 241 would then read as follows: Section 8, title II of the act is amended by adding part C to the end thereof to read as follows:

PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

Section 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs uder section 231 shall be limited to 90 per centum of the total of all such costs except for training pursuant to the last sentence of section 231. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.

Existing section 231, in the last sentence, would be amended by inserting the following words, which follow the language of section 203(a) making the States agents of the United States for the payment of training allowances: directly, or through an appropriate arrangement with a State, as agent for the United States, too.

Under this proposal, the last sentence of section 231 would then read:

In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare, directly, or through an appropriate arrangement with a State, as agent for the United States, may provide the needed training by agreement or contract with public or private educational or training institutions.

Senator PROUTY. In short, Mr. Sneden, if the States are not able to cooperate, then the Secretary can—

Mr. SNEDEN. Yes, with the State acting as the direct agent.

Senator RANDOLPH. With the payment—

Mr. SNEDEN. One hundred percent. The 90–10 provision would not apply.

The suggested additional language tracks the language of section 203 where the States are appointed "agents" for the payment of training allowances.

The appointment of a State as "agent" would then be clearly distinguished from the role of a State as a "contractor" under an agreement. This would provide the Secretary of HEW much greater leeway in distinguishing between the case of the State which has no agreement and the State which may not be providing some aspect of needed training under an agreement.

This greater flexibility of operation afforded the Secretary of HEW could greatly contribute to a more effective operation of the Manpower Development and Training Act. He still has all the direct authority but he has the additional flexibility of being able to use the State agency as an agent when he feels the circumstances are appropriate or when the State as a contractor under an agreement is not providing needed training but the Secretary does not wish to completely circumvent the administrative role of the State agency especially when there is in effect an agreement.

This appointment of a State as "agent" in addition to its responsibilities as a "contractor" under an agreement might, for example, be most appropriate under the recently issued procedures for less-than-group referrals which will provide for individual referral training. Please see program letter No. 1758, January 26, 1965, reference USESPL No. 1666.

This is the proposed amendment that we seriously and sincerely offer for your consideration. And this would correct the problem that is faced in California and in any other State where there might be constitutional or legal prohibition of using State funds for contracting to private institutions.

Senator PROUTY. Mr. Sneden, I assume you wish to include your proposed amendment in the record.

Mr. SNEDEN. I do.

Senator PROUTY. I am not chairman, but without objection, it will be put in the record.

Mr. SNEDEN. Well, this concludes our testimony, except that I want to again express our deep appreciation for this opportunity to appear before you and again to reaffirm our confidence in the Manpower Development and Training Act program. We certainly hope that all the private schools will be able to continue to contribute to its success.

Senator RANDOLPH. I would like to make just this comment. I have looked at the amendment rather hurriedly, and I would want to indicate my general agreement with the purpose of the amendment.

Now, there possibly may be language that will be more helpful to the purpose that you have. This may not do exactly what you think it would do, although we believe that you carefully checked its drafting. But I want to indicate that I believe the purpose of the amendment is desirable. At least there should be sufficient flexibility to cover a situation such as you have noted. We will have to determine that as we study this issue in the subcommittee.

This is my personal view.

Senator PROUTY. Mr. Sneden, I have a few questions I would like to submit to you or any other member of the panel.

I understand, for example, in Michigan your private training has been particularly helpful to some of the disadvantaged minority groups; is that true?

Mr. SNEDEN. Yes, particularly the ARA program which we conducted in Detroit.

Senator PROUTY. Your exhibit A, I guess, which I have not had a chance to go over, seemed to sustain that point.

Mr. SNEDEN. Yes.

Senator PROUTY. Is it not true that the taxes ultimately paid by trainees in your State and other States will actually exceed the cost of their training.

Mr. SNEDEN. Yes; I would say, for instance, it is anticipated or estimated that the taxes that these folks pay will be $456.80, and the cost of training for each student—now, this does not include any subsistence, but the cost of training was $474.19. So far as training is concerned, the Government gets its money back the first year, which is certainly sound.

Senator PROUTY. This is something we can all appreciate. And this training has been helpful to disabled, physically disabled individuals, too, has it not?

Mr. SNEDEN. Of course, the physically disabled are usually processed through the vocational rehabilitation program, which is incidentally a matching situation, as you know. That program has been going on for many years and as long as I can remember. And before I became associated with the school work, we have had rehabilitation students in large numbers, as individual referrals, incidentally.

Senator PROUTY (presiding pro tempore). Are there some States which do virtually no contracting out of training with private agencies?

Mr. SNEDEN. Under vocational rehabilitation, or any——

Senator PROUTY. Under "Manpower."

Mr. SNEDEN. Well, the State of South Carolina has indicated that under their present restrictions, I do not know whether it is constitutional or what, they are not going to be able to contract with private institutions. I know that legislation is being introduced which is supposed to correct that.

I do not know how many States have refused to contract with private institutions, but there are relatively few that have contracted for private institutions. Michigan, Arkansas, Pennsylvania. It is not widespread, yet.

Senator PROUTY. I could say for myself, and also for Senator Jordan of Idaho, who was formerly a member of this committee, that we have been very ardently in support of the training programs handled by the private institutions. And I think you gentlemen this morning have made an extremely good case in support of the private institutions. And your testimony will be most helpful to the subcommittee and the full committee. I hope that some of the amendments which you suggested will be worked out, or at least we will succeed with the purposes through one kind or another.

If you have no further testimony, I want to thank you on behalf of the committee. I believe the next witnesses are Mr. Lee Isenberg and Mr. Hardman.

Are you appearing together?

Mr. ISENBERG. We sort of complement each other, sir.

Senator PROUTY. Mr. Isenberg, will you explain for the record who you are and whom you are representing?

Mr. ISENBERG. My name is Lee Isenberg, and I am the executive director of the Associated Restaurants of Connecticut.

Senator PROUTY. And also, Mr. Hardman, would you identify yourself?

Mr. HARDMAN. My name is William E. Hardman. I am director of training for the National Tool, Die & Precision Machining Association.

Senator PROUTY. Thank you; now, Mr. Isenberg, you may proceed in any manner which you wish.

43-822—65——13

STATEMENT OF LEE ISENBERG

Mr. ISENBERG. I will not go through my whole statement, Mr. Chairman. I would like to file the statement with the subcommittee so I do not have to go over the details of the statement.

Senator RANDOLPH. Without objection it will be printed at this point in the record.

(The prepared statement of Mr. Isenberg follows:)

PREPARED STATEMENT OF LEE ISENBERG, EXECUTIVE DIRECTOR, ASSOCIATED RESTAURANTS OF CONNECTICUT, HARTFORD, CONN.

SUMMARY

A. Overall recommendations

1. On-the-job apprenticeship training programs, particularly association on-the-job training projects, should receive a higher priority on existing and future Manpower Development and Training Act funding because—

(*a*) Enjoying the confidence of industry members, association personnel can more easily pinpoint and develop specific job openings. Furthermore, selected applicants for these apprenticeship openings are guaranteed these jobs before they enter a brief school period.

(*b*) The new "instructor-coach" method used in Manpower Development and Training Act-Bureau of Apprenticeship and Training assisted projects can maximize the learning potential of culturally deprived individuals; that is, 45 percent of our apprentices are Negroes or Puerto Ricans. Today, after 10 months of on-the-job training, apprentices' earnings range from $75 to $110 per week. Successful apprenticeship program graduates are assured by the association a minimum annual salary of $7,000 as first cooks or future chefs.

(*c*) Association on-the-job training apprenticeship programs can create vast numbers of new apprenticeship job openings by helping small- and medium-size businesses set up their own training structures heretofore beyond their financial reach or competence.

(*d*) In an association on-the-job training program the Government can receive as high as a 7-to-1 return on its economic investment during the time of the apprenticeship training period. With only 6 weeks of formal schooling in basic theory, subsistence allowances are kept to a minimum, and the apprentice becomes increasingly productive during his on the job training period while at the same time the association, along with the management and labor team of the employer's company are making significant training contributions as illustrated in the supporting data.

(*e*) Somewhere between 80 and 90 percent of the training of skills in this country takes place on the job and not in a formal class situation.

(*f*) Organized on-the-job training best reflects the realities of technological change meeting industry's present and future needs.

(*g*) Association on-the-job training programs are particularly helpful to individuals from underprivileged backgrounds because the association can continuously move these disadvantaged youth until it finds sympathetic training situations that can maximize the trainee's potential. This practically eliminates the usual dropout rate for this group program.

2. Our association believes that the Manpower Development and Training Act program, despite some initial imperfections, is making a valuable contribution to our economy and should be continued and extended.

3. Based on our association's experience, our group strongly supports the amendment to permit the Secretary of Labor to make grants for the conduct of research, experimental, and developmental projects, as well as to enter into contracts for such projects because—

(*a*) Most local and State associations as well as many national groups cannot completely support the initial expense of developing a project. Thousands of dollars of our own association funds were spent on this effort. Some contract development assistance, as offered in other departments of the Government, is necessary to absorb a portion of the initial cost.

(*b*) The staffed trade association is an excellent research vehicle in both job development and training and it is hoped that a portion of contracts and grants will be allocated to trade and professional associations as well as institutions.

4. Since training and unemployment problems cut across State lines, our group supports the amendment for 90 percent Federal financing for Manpower Development and Training Act projects.

5. Funding provisions should be made for increasing the staffs of various agencies handling Manpower Training and Development Act funds with particular emphasis on program development personnel:

(*a*) From our own contacts with the State employment service, State vocational education officials, and Federal Bureau of Apprenticeship and Training personnel, we could observe serious manpower shortages which slow down the processing of projects.

(*b*) The experience of our own association indicates that the quality of supervision and instruction is a major success ingredient. The Manpower Development and Training Act is only as good as the adequacy and competence of the staff that is serving it. Some immediate corrective action is necessary.

6. Our organization is particularly enthused over the amendment that directs the Secretary of Labor to give special emphasis to a program of "job development," primarily of jobs in the service trades.

Small business predominates in the service occupations, particularly in the food service industry, the largest service trade. Local, State, and National associations in this area are in a position to make outstanding contributions in identifying job opportunities, devising techniques to meet the demand, and training workers.

B. Specific recommendations

1. Facilitate the flow of paperwork and funds to avoid unnecessary hardship and program delay; i.e., even though projects are funded, State authorities will not permit institutional scheduling until a check is actually received. A simpler mechanism could avoid a month's delay in programing. This is only one of many examples.

2. Allow the contractor more flexibility to achieve program goals. Arbitrary restrictions on hard-covered books, no provision for special counseling, and no allowance for recruitment ads are but a few examples.

INTRODUCTION AND PROGRAM OBJECTIVES

Industry represents the largest and potentially the most effective educational establishment in the Nation. In the industry I represent, food service, there are literally thousands of potential training establishments.

Our job is to organize this potential by—

1. Interesting the qualified employers;
2. Helping them to develop training techniques;
3. Helping them organize the pattern of training so that learning objectives can be achieved; and
4. Helping and guiding the apprentices learning effort.

REALIZATION OF PROGRAM GOALS

We have successfully realized these goals in the Hartford cook-chef apprentice program. Both the employers and apprentices are enthusiastic about the results achieved through coordinating prejob institutional learning with the followup on instructor-coach technique.

This is evidenced by the spread effect of the successful experience in Hartford. Programs now are being set up in five other Connecticut centers and other State associations have taken positive steps to extend the Hartford experience into their respective areas.

PRESENT NEED FOR TRAINING

Industry and Government authorities estimate that approximately 3 million people, including owners, are gainfully employed in food service. It is a further conservative estimate that a minimum of 75,000 new positions will be created

each year, and an additional minimum of 150,000 workers will have to be recruited each year as replacements.

The Labor Department estimates that 35 percent of the work force are cooks of various categories. Based on these figures, approximately 75,000 cooks in varying degrees of skill would have to be recruited for new positions and replacements each year to meet the demands of the food service industry.

Other authorities estimate that of this figure, at least 20,000 of these annual openings should require the skills of a first cook.

A substantial portion of these openings are found in small- and medium-sized establishments. Eighty-four percent of the restaurant establishments in this country have fewer than 20 employees. In fact, of the 375,000 restaurant establishments in the country only 1½ percent, or about 500 businesses, have 100 or more employees.

For a number of years there has been a persistent shortage of competent cooks and chefs to meet the requirements of these restaurants for proper and efficient preparation of quality menus. Efforts to meet this need included recruitment of foreign-trained chefs and sporadic, but generally unsuccessful, informal attempts to train for the required skills. The inadequate training plans and procedures, particularly in this industry dominated by small business, have limited the recruitment possibilities and have not taken full advantage of the learning potentials of young people entering this industry to develop the art of food preparation as cooks or chefs.

ELIGIBILITY AND MINORITY GROUP PARTICIPATION

The successful Hartford experience has indicated that formal educational requirements are not pertinent, but candidates must have the following: a desire to work hard, the aptitude needed to learn the culinary arts, and the potential to assume responsibilities.

It was also demonstrated that when the association makes a group effort and alerts the community, through publicity and paid advertisements as to the availability of training opportunities, qualified minority candidates will apply. In the Hartford program 45 percent of the apprentices are Negro or Puerto Ricans.

Because all candidates are screened by a local association committee prior to their selection for the institutional phase of the program, all trainees are assured job openings upon the completion of the 6 weeks of classes.

OCCUPATIONAL OBJECTIVE—FIRST COOK OR CHEF

The focus of this program is not on the development of a lesser skill (such as short-order cook) but the creation of a highly skilled, well-rounded, first cook or future chef capable of supervising his own kitchen, and who will be earning a minimum of $7,000 per year shortly after completion of his apprenticeship.

CREATING A TRAINING STRUCTURE FOR SMALL BUSINESS

Heretofore it was extremely difficult for small- and medium-sized restaurants to provide an organized on-the-job training situation. Under an association on-the-job-training program it is expected that planned and intentional training to achieve specific skill and knowledge objectives will become part of the industry operations. The training potential of small- and medium-sized operations will be tremendously expanded by this program.

A FULL-TIME COACH-INSTRUCTOR

A competent full-time coach-instructor working with cooperating restaurants is the instrument through which to achieve the following objectives:

A. Initially provide basic skills and knowledge in the prejob or institutional phase of the program. In the on-the-job phase, to directly instruct apprentices in specific skills, assign reading and study homework, correct these assignments, and assure that all of the learning elements needed to make the program successful are maintained at high standards.

B. Orient and advise supervisory personnel and chefs in cooperating restaurants on their training responsibilities, as well as the methods of working with a

training plan to effect the orderly development of knowledge and skills in the art of food preparation.

C. Advise, assist, and instruct cooks and chefs in the art of effective on-the-job instruction so that the learning potential of each of the work experiences in food preparation is fully exploited. This instructor also assists in planning for an orderly and progressive pattern of food preparations to assure that both the breath and depth of training experiences and knowledge needed to achieve full competency in the art is attained.

D. Create a special rapport with his students from less privileged backgrounds which include ethnic minorities and high school dropouts, providing encouragement and extra coaching to these trainees, helping them to meet the required standards of the program.

INDUSTRY AND ASSOCIATION CONTRIBUTION

Our industry has been operating education and training programs for a number of years, particularly in the area of service and management personnel. These programs will continue at the same level, but will be augmented by this additional effort to correct this tremendous shortage in first cooks or potential chefs.

In terms of an economic investment, this association on-the-job-training project offers the Government its greatest return, when compared with most other uses of manpower training funds. Experience indicates that the State affiliate will invest a minimum of $2,500 per project in out-of-pocket and personnel expenses. In addition, the participating restaurants will contribute over $25,000 worth of instructional hours per project beyond the 2 hours per week compensated. Furthermore, an estimated $246,000 of wages will be paid to each project of 18 apprentices during the 3 years of apprenticeship.

After calculating additional association contributions for developmental work as well as followup on the second and third year, and adding the instructional hours contributed by the restaurants in the second and third year, for each project investment (approximately $27,500 in contractor's costs, $2,000 in training allowances, and $3,500 in supplemental instruction costs) industry members and the association are providing $287,500 per project in wages, instruction time and out-of-pocket expenses—or a ratio of about 7 to 1. This is certainly an outstanding return on the invested training dollar of the Government.

ADVANTAGES OF ASSOCIATION PROGRAMS

An association is equipped to—

1. Identify and obtain the participation in the program of qualified establishments.
2. Organize the recruitment of qualified trainees.
3. Select highly competent instructors from industry.
4. Develop the training content and in-plant training structure.
5. Transfer apprentices among participating employers as required to broaden, improve, and stabilize the training.
6. Supervise and coordinate the relationship between the industry and public agencies.
7. Conduct practical field research and program evaluation studies.

CONCLUSION

It is interesting to observe that our association efforts are in line with the new job development program for the service trades. We are making special efforts to pinpoint job opportunities and devising new techniques for meeting the demands of the food service industry—one of the largest, if not the largest, service occupations in the country.

Supporting Exhibits

The association develops a realistic institutional and on-the-job training curriculum to meet the changing needs of the industry—a program tailor made for small- and medium-sized restaurants as well as large operations.

COOK-CHEF

First week, 35 hours:
- History of cooking.
- Orientation to food, restaurants, and hotel kitchens.
- Importance of working together with others.
- Importance of a neat appearance.
- The opportunity ahead for the student.
- Nomenclature and use of tools of the trade.
- Books and how best to use the knowledge they give you.
- Safety.
- Preparation of various appetizers.
- Field trips to different restaurants and markets.
- Tests, written and practical.

Second week, 35 hours:
- Proper cleaning of dishes and silverware.
- Cleanliness of kitchen tools, work area, importance of working clean.
- Personal hygiene.
- Terminology for utensils used in every kitchen.
- Terms used in kitchen.
- Preparation of vegetables for various soups and salads.
- Preparation of basic salads.
- Pastry.
- Field trips to different restaurants and markets.
- Tests, written and practical.

Third week, 35 hours:
- Nomenclature of the profession.
- Sandwich making of all kinds.
- Safety.
- Beverages.
- Knife drill.
- The economics of kitchen operation.
- Weights and measures.
- Preparation of basic soup stocks and soups.
- Field trips to different restaurants and markets.
- Tests, written and practical.

Fourth week, 35 hours:
- Preparation of sauces for various types of dishes.
- Study fish and shellfish.
- Preparation of seafood.
- Knife drill.
- Guest speakers on seafood.
- Menu making, planning, and pricing.
- Buying, food costs, labor costs.
- Understanding of restaurant profit and loss.
- Cooking of a full-course meal by students, broken into groups of four, each having a turn as chef of the group.
- Field trips to different restaurants and markets.
- Tests, written and practical.

Fifth week, 35 hours:
- Sanitation, refrigeration—their importance.
- Facts pertaining to refrigeration and storage.
- Safety, proper use, and cleaning of equipment, steam kettles, etc.
- The importance of timing in the food operation.
- Various ways of combining, slicing, and cooking potatoes and vegetables.
- Storeroom and receiving.
- Importance of checking deliveries.
- Field trips to different restaurants and markets.
- Tests, written and practical.

Sixth week, 35 hours:
- Study of cuts and grades of meat.
- Various methods of cooking—roasting, broiling, stewing, etc.
- Cooking of a full-course meal with students acting as chefs.
- What student should expect outside of the classroom.
- Review.
- Introduction to the chef who will continue with the student.
- Field trips to different restaurants and markets.
- Tests, written and practical.

JOB DESCRIPTION, TIME SCHEDULE, AND DESCRIPTION OF PROCESSES AND SKILLS TO BE LEARNED FOR COOK-APPRENTICE ON-THE-JOB TRAINING, TOTAL HOURS, 2,208

A. Cleaning and maintenance of equipment, 210 hours:
   1. Good practices in cleanliness in the kitchen.
   2. Use of kitchen tools and equipment.
   3. Use of condiments, spices, and raw materials.
   4. Proper cleaning of dishes and silverware.
   5. Proper cleaning of cooking utensils.
   6. Proper cleaning of tables, stoves, refrigerators, and all other equipment.
   7. Personal appearance.
   8. Safety.

B. Soups, 325 hours:
   1. Preparation of various stocks for soup.
   2. Time control for cooking.
   3. Types of soups: vegetable, block beans, puree of split pea, cream soups, tomato, potato, mongole, celery, asparagus, chicken, turkey consomme, minestrone, rice and tomato, clear soups with garnishes, old-fashioned chicken and various other soups.
   4. Safety.

C. Seafoods—Shellfish, 173 hours:
   1. Various methods of preparation: stews, newburghs, broiled, baked, fried.
   2. Safety.
   3. Types of seafood: clams, oysters, crabs, lobsters, scallops.

D. Fish, 172 hours:
   1. Various methods of preparation.
   2. Safety.
   3. Types of fish: flounder, fillet of sole, lemon sole, haddock, schrod, mackerel, swordfish, halibut, snapper, trout, bluefish, etc.

E. Meats, 423 hours:
   1. Selection of grades and cuts for veal, pork, beef, and lamb.
   2. Roasts.
   3. Stews.
   4. Stroganoff
   5. Ragout.
   6. Fricasse.
   7. Deep frying.
   8. Broiling.
   9. Pan Frying.
   10. Cutlets.
   11. Patties.
   12. Sweetbreads.
   13. Livers, etc.
   14. Safety.

F. Cooking time for various items, 200 hours:
   1. Chickens: broiling, frying, baking, roasting, fricasse, diane, cacciatore, eugene, etc.
   2. Chicken livers.
   3. Vegetables: use of carrots, beets, corn, squash, peas, beans, sprouts, cabbage, greens, lima beans, etc.
   4. Potatoes: whipped, croquettes, patties, dutch, scalloped, fried, french fried, pan fried, lyonnaise, cottage fried, home fried, O'Brien, etc.
   5. Various ways of combining, slicing, and cooking the different potatoes and vegetables.
   6. Safety.

G. Sandwich preparations, 75 hours:
   1. Hot and cold, such as grilled.
   2. Hot with gravy.
   3. Cold with proper garnish, such as club, etc.
   4. Safety.

H. Fowl Preparation, 125 hours:
   1. Broiled, boiled, roasted, fried, slicing, storing, fricasse, stewing, etc.
   2. Safety.

I. Preparation of salads, appetizers and dressings, 175 hours:
   1. Hearts of lettuce, tossed, chefs Julienne salad, jellied, fruit, antipasto, etc.
   2. Dressings: oil and vinegar, russian, french, sweets, etc.
   3. Appetizers: shrub, fruit cup, chicken livers, herring, baked grapefruit au' sherry, oysters, clams on halfshell, relishes, etc.
   4. Use of various combinations.
   5. Safety.

J. Preparation of beverages, 34 hours:
   1. Coffee, tea, cocoas, blends, iced drinks.
   2. Safety.

K. Food receiving and storage, 171 hours:
   1. How to pack and cover foods to prevent waste.
   2. Refrigeration.
   3. Proper temperature for various foods.
   4. Checking foods' length of time in freezer.
   5. Safety.

L. Banquet and volume cooking, 125 hours:
   1. Estimating.
   2. Preparing.
   3. Cooking.
   4. Storing at proper temperature.
   5. Garnishing plates.
   6. Serving when hot.
   7. Safety.

The association selects outstanding full-time instructor-coaches from industry.

The association chooses only the most capable of professionals for the difficult job of stimulating disadvantaged youth and supervising the training programs of individual restaurants and their chefs.

The association seeks younger, active instructors, sympathetic to the specialized problems of their students, and ever ready to give individual counseling or extra coaching.

Résumé for Calvin C. White, Cromwell, Conn.

SUMMARY OF BACKGROUND

Experienced in all phases of hotel and restaurant management, such as supervision of kitchen, bar, and dining room staff, catering, banquets, greeting guests, purchasing, publicity, and advertising. Thoroughly familiar with garde-manger and the preparation of a variety of cuisines including American, German, Italian, French, Hungarian, and Chinese. Have also had contact with room management, billing, and reservations.

PRINCIPAL EXPERIENCE

Water Gate Inn—1963

2700 F Street NW., Washington, D.C., manager, in complete charge of entire operation consisting of Pennsylvania Dutch food, cocktail lounge, 100 employees serving from 600 to 1,000 people daily. This restaurant was one of Washington's finest eating establishments.

The Early American Restaurant—1962–63

Nashua, N.H. Owned and operated a high-class restaurant and cocktail lounge, seating 180, open for lunch and dinner.

Twin City Motel—1961–62

Brewster, Maine. Food and beverage manager, had complete charge of the kitchen, dining room, and cocktail lounge. Hired and supervised employees, also purchased food and liquor, handled financial administration.

Charterhouse Motel—1960–61

Waltham, Mass. Employed by Hotel Corp. of America as chef de cuisine. Had complete charge of entire kitchen operation and purchasing, served as consultant for other newly opened Charterhouse Motels.

Winchester Country Club—1959–60

Winchester, Mass. Served as chef-steward for one of Boston's most exclusive clubs. Supervised all phases of the food service, also cooked.

Hotel Vendome—1956

Boston, Mass. Executive chef for this fine 150-seat French cuisine dining room. Was in charge of food preparation, banquet arrangements, and kitchen personnel.

Smith House—1953–55

Cambridge, Mass. Chef-steward for this 400-seat restaurant grossing approximately $60,000 per month. Supervised food preparation, menu planning, purchasing, and food control.

Vaughn Monroe's Meadows—1949–53

Framingham, Mass. Executive chef. In charge of the preparation of more than 1,000 dinners Saturday evenings. Responsible for all aspects of food service; directed a staff of 60.

Have held positions ranging from salad man and sauce cook to manager at a variety of fine restaurants since 1946. These include the Hotel Roosevelt, Lenox Hotel, Vienna Room, and Wauwinet House. Also have done a good deal of garde-manger at all of these restaurants.

Education: Bangor High School, 1944; Culinary Institute of America, New Haven, Conn., 1949. Studied advanced cooking and decorating.

Awards: New England Hotel Show—1954, the Award of Merit; 1955, Major Award; 1959, Major Award; 1960, Grand Award and Gold Augie; and 1961, Special Award.

Memberships: Boston Epicurean Club, Food Service Executive's Association, Connecticut Chef's Association.

Military: U.S. Marine Corps, 1944 to 1946. Served in China. Honorably discharged in 1946.

Personal: Born in Bangor, Maine, on July 1, 1927. Married; 5 feet 8 inches; 175 pounds; in excellent health.

Hobbies: Hunting, fishing, private flying, sailing, and collecting antique firearms during off hours.

References: First-rate professional and personal references furnished on request.

RÉSUMÉ OF BRIAN COLLINGS, NORWALK, CONN.

Born May 28, 1932, Manchester, England.

Educated in England, high school graduate. Three years in night college, majored in theory of catering. Veteran of the British Army, has honorable discharge. Married 11 years, has two children.

SUMMARY OF BACKGROUND

Experienced in all phases of English, French, German, and American cuisines. Has held all positions in the kitchen. Also worked reorganizing and developing correct preparation and service for large food operations.

Present position: Chef, Norwalk Hospital, catering to special diets. Upgrading the method of preparation. Also being new in the United States, I am especially interested in institutional food service.

October 1962 to April 1963: Head chef, Silvermine Tavern, Norwalk, Conn. Catering to the finest clientele in southern Connecticut. Serving 400 to 600 covers daily.

May 1958 to September 1962: Head chef, Lobster Pot (Lobster Pot Chain, Cafe Royal.) Seating 800 in 3 restaurants under one roof plus 2 large banquet rooms. Duties included responsibility for menu planning, personnel, all food service. The average daily customer count was 7,000. English and French cusine.

September 1957 to May 1958: Sous chef at the Lord Brocket Arms Hotel, Wigan, England. French cusine. Responsible to chef for complete kitchen operation. The reason that I did not stay too long here was that I wished to better myself. It was the first position I secured after my Army discharge.

September 1954 to September 1957: Three years sergeant instructor; British Army Catering Instructional Center, Aldershot, England. Honorable discharge. Sergeant instructor for British Catering Instructional Center. Was responsible for groups of 30 men for 12-week training course. The center was run by the J. Lyons Co. This was a civilian organization.

December 1948 to September 1954: Cunard Steamship Co., Ltd., Southhampton, England. Three years student chef and three years "chef de partie" in all departments international cuisine. During the 7 years that I worked in every department, I had the pleasure of serving such personalities as Mr. Rockefeller, Winston Churchill, Queen Elizabeth, who was then H.H.R. Princess, Mr. Dupont, Emperor Haile Selassie, and many other distinguished people.[1]

June 1946 to December 1948: Victoria and Station Hotel, Preston, England. Three years student chef. English and French cuisine. I served my apprenticeship under my father who is now executive chef at the London Airport.

Mr. ISENBERG. I would like to hit a few of the highlights of our particular concerns and recommendations here. We feel that on-the-job, apprenticeship-training programs, particularly association on-the-job projects, should receive a higher priority on existing and future Manpower Development and Training Act funding.

We have several points that we would like to make in support of that. One is that we think that the trade association is being overlooked as an outstanding resource for pinpointing job opportunities.

In our own case, we sent our fieldmen out into the field to pinpoint the restaurants which would take these job openings. And we are able to talk directly with management in a state of confidence and try to illustrate to them on a person-to-person basis the value of getting involved in this training program.

On that basis, we are able to guarantee the jobs of the boys before they even start a brief schooling period. We also find that the instructor-coach method the National Tool, Die & Precision Machining Association developed had its exact application to the service trades as well.

We found that this particular approach of having the instructor-coach, who is under the control of the association, teach the institutional part of the program and then move out with the boys on the job creates a tremendous maximizing of trainee potential.

We have a number of different reports which I did not enter in our written testimony, of the personal problems that many of these disadvantaged young men have.

For example, part of Larry's training has been learning to get along with his fellow workers. He ran into personality conflicts in both the Stonehaven and Brownstone restaurants. We have transferred him three times, and now he has no further difficulty. We have had a fine talk with his mother and find out—these are problems that come up—that he has no father, and we sort of had to act as a father figure to him. The instructor-coach's report goes on and on in a similar vain.

We try to establish a relationship with the boys and indicate that the industry is interested in them. It is amazing the progress that the boys make under this instructor-coach system of the instructor not only handling the school portion of the training, but then moving out on the job with the boys, and supervising their training through the individual restaurants in which the boys are placed. We are in-

[1] NOTE.—On the Cunard Steamship Co., Ltd., line it is the policy of the company to have their student chefs serve no less than 4 years apprenticeship. However, in my case they made an exception and allowed me to become a "chef de partie" in 3 years.

debted to Mr. Hardman's group the National Tool, Die & Precision Machine Association, for developing the entire system.

Then another aspect that we would like to pinpoint is that small- or medium-sized business has its greatest chance in participating in this program through association on-the-job projects. We find that basically the small- and medium-sized business operation has no training structure. By setting up a well-organized association program, which is supervised—and incidentally, the comments that have been made against on-the-job training have generally referred to unsupervised, unorganized, and uncoordinated programs.

Under this type of programing, every step of the training is supervised and organized for the small business. As a result, on a week-to-week basis the boy is supervised, his progress is checked, and his weak points overcome and special instruction or coaching. We feel that this program certainly overcomes any objection that we sometimes hear about on-the-job training not being a highly systematic approach.

By the same token, we think that the trade associations can uncover thousands and thousands of these small- and medium-sized business opportunities. In the restaurant industry itself we find 84 percent of the total number of establishments in this country have under 20 employees. Therefore, most of them do not have the training facilities to handle organized on-the-job training, and this is where the trade associations can come in—pinpointing the job opportunities, setting up the training structure, supervising the training, and really making a major contribution.

The other things we have noticed are that technological change is best observed in on-the-job training, and also that 80 to 90 percent of the training of the skills in this country is done on the job and not in a formal-class situation.

Furthermore, we find that the association programing particularly gives the underprivileged young man an extra chance. We find that in many cases we have to rotate the young man three or four or five times in order to match his particular potential against a training situation. And whether it is personal prejudice inability to adjust, personality conflict, poor training environment, or whatever the reason, we are able to keep that young man in the program.

No trainee drops out of the program if we can help it. If we have to have our instructor give him three extra nights of coaching each week or give him any other necessary assistance, he does it. This is another value of having those instructors under our association program. They really put in those additional hours in an extra counseling and coaching effort. They live with these boys and their problems. If a trainee does not report to work at 8 in the morning, the instructor is down at his house pulling him out of bed and getting him on the job.

To reemphasize our first recommendation, we fell that a funding priority and additional recognition for on-the-job training projects, and particularly association projects, should be entered in the record. Further than that we feel that the basic Manpower Development and Training Act program is making a valuable contribution, despite some initial imperfections. We have discovered that strong efforts are being made to overcome many of our initial problems.

It seems there is a new administration in the Labor Department's manpower group that is really trying very hard to move along and bypass many of the small bottlenecks that we have experienced in the beginning.

Also, we would like to support the amendment authorizing the Secretary of Labor to make grants for the conduct of research, experimental and developmental projects, as well as to enter into contracts for such projects.

We find that most small trade associations cannot support the initial expense of program development. We have spent thousands and thousands of dollars of our own association funds in trying to develop this program and we think that if you are going to use the association resources, particularly for small- and medium-sized business, that there will have to be some Manpower Development and Training Act effort to cover a portion of this initial cost.

I am referring, for example, to the 3 months we sent out our field people on the road, pinpointing these job opportunities. We paid for the ads in the newspapers to get potential trainees to register at the State employment service, because their funds have run out in that area. There are numerous other expenses that the association incurs, that particularly the small association needs some help on.

We also want to stress the fact that when and if the Secretary gets this additional authority, we want to remind the Department that the staffed trade association is an excellent research vehicle for both job development and training, and we hope that contracts would be allocated to this group, because we think that they could make a significant practical and factual contribution in this area.

The other recommendation that we discussed was the necessity, we thought, of the 90 percent Federal financing of the Manpower Development and Training Act projects.

In addition to the aspect that the problem of unemployment cuts across State lines, we also feel that many of our approaches are rather new and it takes a little time for some of the States to get used to these innovations. Because we are still experimenting and suggesting certain projects that are a little different from the usual training pattern, we think that the 90-percent Federal financing will help us get the entry into the vocational school system and into the other different organizations whose cooperation we seek to enable us to institute these projects.

For example, we require that the instructor-coach actually comes from industry. Nevertheless, he has to meet certain qualifications of the State board of education. We can insist on an alert young man, fully competent, and up to date on every aspect of industrial training, but when we place him in the school system, the school has to rule on this man's competence and further accept the fact that this man will move out on the job with his trainees.

This is a new concept and sometimes it takes a little while to have the school see it. However, once they do, and they see it really works, they accept it. But the problem is to get the initial push and program in many States. We no longer have any problem in our State, but I could see that certain States who are not familiar with this new method of training disadvantaged youth could have problems.

We also find that the Manpower Development and Training Act is only as good as the staff who handles it. And we do find that our projects are sometimes slowed down because there seems to be a tremendous overburdening of some of the existing staff people, particularly in the program planning and field servicing groups.

Some immediate attention should be focused on this problem of having adequate staff funding for the Department of Labor's Manpower Development and Training Act and Bureau of Apprenticeship and Training personnel.

Another aspect that we would particularly like to support is the amendment that directs the Secretary of Labor to give special emphasis to a program of job development, particularly in the service trades. We think that this is a gold mine of opportunity. We think that the trade association, particularly in the service trades, could be tremendously useful as a vehicle in creating these jobs.

We have done this ourselves, and we see that it works. We can see that you can turn up these job openings on training opportunities and we feel that this particular emphasis would be very valuable.

As far as specific recommendations, we have been concerned with some of the mechanics of paperwork and some of the educational administrations policies of the individual States; i.e., the lag between the time that funds are granted and the time that an individual State will permit the start of a program.

Many States have policies which require the check to be deposited in the State before they will even talk with us about scheduling the school. However, we hear that the Manpower Development and Training Act and the Department of Health, Education, and Welfare are working on letters of credit and other approaches to overcome some of these procedural time delays and we see most of these nit-picking problems are in the process of being solved at the present time.

We would like to say just briefly that our particular program is aimed at developing first cooks or future chefs. We are not looking in our program for a short-order cook or somebody in a dishwashing capacity—we are trying to look for disadvantaged youth who have potential to handle supervisory responsibilities. That young man is assured that within a short time of his completion of our apprenticeship program he will be making a minimum of $7,000 a year as a supervisory first cook or a future chef. We are aiming at a program which really produces results. It is fantastic how some of our boys in their 10th month are already making $110 per week. They are going over the established norms that we have set up as minimums for them to accomplish.

From the point of view of evaluating in the effectiveness of this particular association instructor-coach method, we were very proud to see that our boys in their 10th month of training walked away with our area's culinary art show's first prize in competition with leading institutions and a number of chefs of outstanding hotels. Furthermore, the judging teams expressed amazement at the proficiency of the boys in the program. Forty-five percent of our trainees are Negro and Puerto Rican. We try to have a balanced program. We do not want to have an all-Negro group, if possible, or an all-white group. We think the best way is a combined group, and we try to recruit a minimum of 40 percent minority representation in our programs.

Senator PROUTY. Is this program in Connecticut primarily directed at the training of individuals to become first cooks or chefs?

Mr. ISENBERG. Yes, sir. We are now in the process of extending the program to a number of other cities and we are also in the process of helping a number of other State associations across the country develop this same type of programing

Senator PROUTY. How many have been taking these courses?

Mr. ISENBERG. Again because of the low priority in on-the-job-training funds, we had 110 job openings last June, but we were only able to get funds for 18 last year. Now we finally are getting the funds for starting four new programs.

So from our own experience, the only program we can talk about is our first group, but it now looks as though we will have the funds for about 90 boys for our new cook-chef programs starting within the next month and a half.

Senator PROUTY. Can they all be utilized in Connecticut?

Mr. ISENBERG. These trainees will be utilized in their own local area. Each training program is pegged to the needs of the area. Every one of these boys have jobs. They are guaranteed positions before they even go to school. First of all, we take ads on behalf of the State employment service to bring them into their offices. We find that somehow or other, many of the boys who should be registered there are not. We also contact community leaders to funnel their people into the State employment service. Then the State employment service is very helpful in the initial test battery. We follow up with an employers' committee screening interview so every one of the boys we pick for the program is guaranteed a job before they start 6 weeks of school.

We established the curriculum of 6 weeks. It is tailormade to our own program. Our instructor moves out of school and on the job with his class. The boy starts earning wages immediately at the end of the 6 weeks' period.

We have calculated roughly at the end of the 3-year apprenticeship that the Government will get back about a 7-to-1 investment on its funds in this program. These boys are going to be moving right along in terms of their financial increments. They are doing well, and they are filling a very vital need. The number of boys that can be absorbed in service industries this way is fantastic.

Most small restaurants can use a $7, $8, or $9,000-a-year chef. It is a program that is really related to mass needs. They are just screaming for first cooks and chefs.

And we have three or four times the number of people requesting these boys, but they are assured that the boy is employable. We screen the boy, we gave him a physical examination before he starts class—we do not waste school money. When we start the trainee in the school program, he is employable and is guaranteed a job upon completion of the 6-week school period. If for some reason his personality does not match up with the job, we will transfer him to another job as we have the jobs for him.

Senator PROUTY. What is the educational background?

Mr. ISENBERG. I would say that 60 percent of our boys are school dropouts and about 40 percent of our boys are high school graduates.

And as I said before, 45 percent of the boys come from Negro and Puerto Rican groups. But once again, we found we had to adapt our own intelligence test. A certain basic intelligence test itself just does not apply. We have created some of our own screening tests. We have found that the native intelligence of a boy and his willingness to work and his potential for supervision are the things that we are looking for. And it is not related to formal training. We can take these boys from disadvantaged backgrounds and we can make them supervisory personnel in a kitchen. It really works. We have to labor over them. We get involved in fantastic personal problems, from getting back their licenses, to marital problems, to everything else that is involved.

Another point is that we insist on a top-rate instructor-coach that the trainees can personally relate to. Our man that we had in Hartford we "stole" from Washington, D.C. He was manager of one of your largest restaurants here, the Watergate Inn. He is an outstanding individual and is really doing the job up for us. We now have several other people lined up of the same quality.

Senator RANDOLPH (presiding pro tempore). What do you mean, you "stole" him?

Mr. ISENBERG. He wanted to come back to New England and I will put a quote around the word "stole," sir. We mean that we tried to interest him in this program to the point where he left the Washington, D.C., area to come up and try pioneering this new training concept by working with us.

I am sorry; I would redefine my terms.

Senator RANDOLPH. The Watergate Inn, of course, is a very fine restaurant; the food is excellent; and the pay of the employees presumably would be equal to the pay in New England. So I am trying to see if this was a case of personal preference.

Mr. ISENBERG. Excuse me. You are quite correct. His family came from New England, and this was the additional inducement to bring him back there.

Senator PROUTY. I might say, Mr. Chairman, once anyone has ever lived in New England, he always wants to return.

Senator RANDOLPH. That is understandable, that men who represent certain States speak well of their States.

What is the average age of your trainee?

Mr. ISENBERG. The range concentrates, I think, between 18 and 23, sir. In the new group we are interviewing, we are trying to get the age down nearer the 19- and 20-year-old level. We find that there is a problem with the 17-year-olds from the point of view of supervisory responsibility. For our own particular purposes, we arbitrarily put 18 as a guideline, but by the same token, if an unusual 17-year-old or an unusual 25-year-old or 30-year-old individual wants to enter the program, we accept him.

Senator RANDOLPH. Then, you have no hard-and-fast cutoff point for acceptance?

Mr. ISENBERG. No, just guidelines, sir, more than anything else.

If they are older they have family obligations and the minimum training allowance for the 6 weeks makes it very difficult; furthermore, we find only half our boys are eligible for the training allowances.

Senator RANDOLPH. Then your emphasis is on the younger.

Mr. ISENBERG. We are very definitely emphasizing the younger men now.

Senator RANDOLPH. I know that you have responded partially to the educational status among the trainees but what is the level of the educational training of these people? You spoke before about dropouts.

Mr. ISENBERG. Here is two and a half years of high school. Nine and a half years of school. Nine years of school—I am just reading individual reports here—2 years of high school, 8 years of school, 3 years of high school. This is just a cross section, Senator, to give you some idea.

Senator PROUTY. Are there many high school graduates?

Mr. ISENBERG. As I say, we have 40 percent in the group that are high school graduates, just as a round figure.

Senator RANDOLPH. Have you told us the average cost of the training?

Mr. ISENBERG. The average cost of the training, that is the contractor's cost of the training, comes to somewhere in the vicinity of about $1,500. This is spread over the full-time instructor-coach and also each restaurant which is paid for 2 hours a week or $11 weekly for the followup instruction time of its chef. Actually, we get about five times the amount of paid hours of instruction out of the chef, and we also get him to volunteer for special programs teaching on-the-job training techniques, which our instructor conducts for the 15 or 16 chefs of participating establishments.

In other words, our instructor-coach is trying to teach these chefs how to train the boys underneath them, as the instructor only will be seeing a boy at work one day a week, and then he has to have the chef follow up carefully the boy's progress the rest of the week.

Senator RANDOLPH. In your summary, you have indicated that State authorities will not schedule the institutional training until the Federal funds are actually received.

Can you tell us why the authorities take this position and could you suggest a remedy, if you feel there should be a remedy?

Mr. ISENBERG. Well, I dropped into the HEW office to find out before I came here as to what could be done, and they tell me that this requirement stems from some bitter experiences that individual States had when they started the program. After inaugurating crash programs, some States found the funds were not retroactive and these States got caught in the bind in the very initial phases of the manpower training program.

As a result, the State fiscal authorities made certain regulations requiring the deposit of the check.

Now, HEW tells me they are rapidly overcoming this problem by developing a letter of credit type of approach. We hope so, as we found this regulation can delay a program as much as a month.

Senator RANDOLPH. You are making suggestions, then, are you not?

Mr. ISENBERG. Yes, sir. As I said, the nitpicking aspects of it, I think, are being overcome. We notice a much more agreeable and understanding attitude on behalf of the people we are dealing with as they are getting more experience in the program. And as we are, and I think all of these individual problems can be just a matter of reasonability. They seem to be progressing toward a solution.

Senator RANDOLPH. Can you tell us how many potential job openings there are in the United States for persons in the food service?

Mr. ISENBERG. Mr. Donald Greenway, who is the executive vice president of the National Restaurant Association appearing before the food service industry manpower conference, estimated that there would be a minimum of 75,000 new workers needed annually and 150,000—these are minimums—and 150,000 replacements in the labor force.

Now, we developed our figures with a number of State associations who are working with us to discover what we felt was the potential openings for our particular occupational objective. And we estimate that there is a minimum of 20,000 annual openings in this first cook or chef category in the country. This estimate is the minimum annual job opportunities for our own particular programing. For the entire food service industry there is a minimum annual absorption potential that Mr. Greenway estimates, provided individual productivity continues growing in this decade, 225,000 workers in food service—75,000 new workers and 150,000 replacement workers.

Senator PROUTY. Mr. Isenberg, yesterday I introduced legislation which would provide a 7-percent tax credit to companies which provided their own on-the-job training, and guaranteed to employ these people for a minimum of 1 year. Would that be at all helpful in the restaurant business? Perhaps you have not had an opportunity to even think about it.

Mr. ISENBERG. I have had the opportunity, because we have worked very closely with John Dewhurst in developing our program. Mr. Dewhurst, who is on the Secrteary of Labor's Advisory Committee to Bureau of Apprenticeship Training, is a Hartford manufacturer in the tool and die industry. Through the good offices of Mr. Dewhurst the restaurant group got the experience of the tool and die industry in our own area and we are applying their technique to the service industry.

Mr. Hardman can go into more detail. Mr. Dewhurst has strongly expressed support of a training tax credit at local chamber and association meetings. It is not just my own personal opinion, but conversations with many local business people have been convinced that this particular approach has a great deal of merit.

As far as the food service establishments go, at many of the smaller and medium-sized establishments are really marginal operations, sir, and I do not think they would give it the same recognition as other segments of the economy such as the tool and die industry, or manufacturing in general. But there has been a widespread acceptance and pushing of that idea in our State, and it is a very valid one as far as most of our people are concerned.

Senator PROUTY. It seems to me that an approach of that nature might certainly very well supplement the programs we have in existence now in the Manpower Development and Training Act and might cost the Federal Government considerably less money than is involved in some of the programs now.

I have one other question, which was handed to me, and I am asking it in behalf of a Senator who is not a member of this subcommittee or of the full committee.

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Should existing law be amended so that in certain cases employers could give on-the-job trainees less than the minimum wage where this is a real stumbling block?

Mr. ISENBERG. I would like to answer that. In our State it has no significance. However, I attended a recent meeting of State association executives who asked me to present this program to them with the idea of adapting it. In certain areas of the country, up in northern New England, and I believe the Southwest, as well as in four or five other areas the association executives expressed their concern that there should be some adjustments permitted to the Labor Department to recognize special situations. Where many of these States have specialized problems they should be permitted to adjust minimum requirements.

Furthermore, these adjustments might be necessary to induce employers to sponsor training for handicapped workers or similar areas of the population. Because the boys are expected to be productive almost immediately, we have to look at a person, draw a rather hard line, say he has to, within reason, earn that minimum almost right away and then be prepared to earn his increments every 13 weeks. This could be a problem in certain States, and I think that some authority for variation could be valuable to these States, and I could see that these States were loath to participate in this type of programing until they had that possibility of variation. Perhaps, it could be done on the individual authority of the Secretary of Labor or appropriate State officials.

Senator PROUTY. Mr. Chairman, I have someone waiting to see me in my office now. I wish to assure Mr. Hardman that I will follow and read any testimony that he presents very carefully.

Senator RANDOLPH. Before you leave, Mr. Isenberg, I want to thank you for presenting us with factual and rather inspiring testimony. I wonder if you could supply for the committee or do so for my help, something that is not directly related to this subject, but what is the average pay to a waitress or a waiter in the restaurant industry?

Mr. ISENBERG. Well may I just preface my remarks—in the restaurant industry—the pay part of it is the least interesting component in motivation for getting the positions. The girls are only interested in one thing, and that is what is the gratuity situation in the particular restaurant. We find it is a very difficult question to answer, Senator, except the only light I can shed on it is form our own experience that as I mentioned just a second ago, that the gratuity situation is far more motivating to all the waiters and waitresses than the restaurant's pay. In our State, it is a minimum, they follow the same State minimums, but I would be reluctant to comment on how good is the gratuity situation in each restaurant. We find that there is a great shortage of waiters and waitresses and we find that every good waiter and waitress has no problem in our State in getting a position, because they seem to have a lot of very good take-home money, but I could not give you a specific answer—I think it varies tremendously with the type of restaurant. Those that we deal with, we know the girls go home with a very substantial return, but they are good tipping places.

Senator RANDOLPH. I did not want you to give me an answer based on tips, sir. You certainly know what the pay scale is of a State, or in a city even.

Mr. ISENBERG. The tip situation is the controlling factor in wages. Where the tip situation is poor, we find that the restaurant has to augment the basic salary of the waitresses considerably more. Even in the larger, better tipping establishments, which are under union contract, we find that the union pay scale sticks pretty close to the State minimum of $1.25 with some variations for banquet waitresses. I am not trying to side step the question. There is just too much variety in the spectrum of establishments we serve to give you a single accurate answer.

Senator RANDOLPH. In no industry in the country then is the problem more complex as to pay and tip; would that be true?

Mr. ISENBERG. It is a very complex thing. I know our boys are all up in the air, the little ones in particular, of this suggestion for tax on tips, and that means that the girls will have to report their tips through the owner, and they know that this will be about the most disrupting thing in personnel relationships that they could think of, so I have found that it is a tremendously complex situation and it varies from one segment of the industry to another.

Senator RANDOLPH. You said the matter of pay is not so much of interest to the worker as the gratuity.

Mr. ISENBERG. For the waitresses. But when you come down to cooks, the pay is very important.

Senator RANDOLPH. I asked about waitresses and waiters, although it is not annoying to them, it is annoying to the public at times is it not? Do you agree that the matter of tips is annoying to the public?

Mr. ISENBERG. Again, it is difficult to comment.

Senator RANDOLPH. My questioning was prompted by a discussion this morning on a radio program. People called in, literally scores of people to discuss this subject. I felt, while you were here, that you might comment on this.

Mr. ISENBERG. I know that in the European situation the innkeeper adds a surcharge to the bill for gratuities, yet if you want to get proper service everybody still pays an additional tip. I think there will always be this tip situation with us in one way or another.

Senator RANDOLPH. No training program can insure good service. Is that right?

Mr. ISENBERG. We think the training programs can. The problem we find is to get the message across to certain types of individuals that basically a good living can be made in service employment. We think that the same situation applies here—it was very interesting to us to find from personal surveys that there was a $7,000 job opportunity waiting for our trainees. We are also trying to find more about these other food service occupations areas in terms of pay and advancement opportunities, but we have not as yet proceeded on them.

Senator RANDOLPH. Thank you, Mr. Isenberg. Your information will be helpful to the subcommittee.

We are very grateful for your figures, charts, and additional material.

Mr. ISENBERG. Senator, one concluding point, and that is a strong plea for more recognition of association on-the-job training programs.

Senator RANDOLPH. Thank you very much. The next witness is William Hardman, the training director of the National Tool, Die & Precision Machining Association. Sir, you may read your testimony or consider it as having been presented and merely comment on portions thereof.

STATEMENT OF WILLIAM HARDMAN, TRAINING DIRECTOR, NATIONAL TOOL, DIE & PRECISION MACHINE ASSOCIATION, WASHINGTON, D.C.

Mr. HARDMAN. I would like to read the statement inasmuch as it is short. It brings to the point the points I would like to make to the committee.

Our organization is a national trade association representing the tool and die industry in the United States with some 800 member companies. One of our major areas of activity is training. This includes management development training, supervisory training, technical and skills training and specialized machine operator training. Our most extensive effort by far is in the area of skills training because the tool and die industry is primarily an industry of craftsmen and hence this becomes the greatest area of need.

At present we have a development contract with the Bureau of Apprenticeship and Training of the U.S. Labor Department for the promotion of on-the-job training within the industry. The contract is financed through funds made available under the Manpower Development and Training Act of 1962. Through its provisions it has enabled us to strike toward a twofold goal, namely, an alleviation of the critical shortage of skilled tool and die makers and precision machinists, and beyond this to create a new shop floor training apparatus which is so vitally needed in American industry.

We have developed a program which amounts to the first year of apprenticeship in the tool, die, and machinists trades. In so doing, we have used basically the on-the-job training method coupled with a short institutional phase. Our trainees spend the first 12 weeks in a vocational school, 7 hours a day, 5 days a week. We have written 4 textbooks for use in the program, established a curriculum and we choose journeymen instructors and ask the school to certify them under adult teaching standards.

Upon completion of this 12 weeks of institutional training, the trainees are assigned to the shops that have committed themselves to taking them. In short, there is 100 percent job placement in our program.

At this point the same journeymen instructors become itinerant instructors and divide their time each week for the next 40 weeks among the shops which have employed the 15 boys. And this is always on a ratio of one instructor to 15 boys.

They instruct the boys on the job and utilize techniques and methods within the shop which previously have not been applied to apprentice training.

At present we have 11 programs in operation with 284 boys and expect to start 12 more in the next 90 days, which will bring us over our goal of 500 by the end of our first contract year. Some of the cities involved presently are Rochester, Cleveland, Dayton, Cincinnati,

Milwaukee, Rockford, Indianapolis, Hartford, Nashville, Bridgeport, Syracuse, and Muskegon, and most recently Los Angeles, Houston, and Dallas. By October 1965, we expect to have 750 boys in training in 40 cities.

We would like to point out that the shop floors of industry constitute one of the Nation's largest classrooms and no matter how one looks at it, the greatest number of hours of industrial training are performed on these same shop floors at the jobsite. Because of this fact we hold that industry must be made a more effective part of the skill-creating structure of the Nation if the private sector of our economy is to provide jobs for the unskilled youth and minority group members now seeking employment.

If a substantial portion of these people are to be trained in the public sector in vocational schools, the cost of training will run into billions of dollars and the quality and direction of training is unlikely to meet the requirements for specific jobs.

Manufacturing techniques and patterns are changing rapidly because of the advent of such technical changes as electrochemical machining, electrical discharge machining, numerically programed machining, and other modern processes.

One of the chief deterrents to training in the thousands of small and many of the large plants in the Nation is cost. And this cost factor is closely related to the lack of planning, know-how, and training materials which can be used to help the new worker or technologically affected worker make acceptable progress in his job within the limits of permissible costs.

High minimum wages imposed by law or union contract often make the training too costly for many jobs which involve mastery of complex skills and a basic body of technical knowledge before a self-sustaining level of productivity is achieved.

This situation can only be overcome when the most efficient training techniques and procedures are used. Various estimates of training costs for skills such as toolmakers, screw machine setup men, boring mill operators, and so forth, run as high as from $1,500 to $5,000 during the training period needed to bring new workers to a self-sustaining level of skill and productivity.

The Manpower Act is beginning to play a vitally important role in the training of workers within industry because in most cases it provides just enough funds to help offset initial training costs that are so burdensome to the small- or medium-size plant. In providing these funds, it also allows industry the means by which it can refine and improve its own methods of doing the training job.

The National Tool, Die & Precision Machining Association urges the continuance of the Manpower Development and Training Act, but calls the committee's attention to the importance of on-the-job training, the most practical means by which workers can be trained for specific jobs at a low cost and with the prospect of 100-percent job placement.

We urge that this universal method of training be given more specific acknowledgement within the act and that a greater portion of the funds which will be made available be allotted to this type of training which, in the final analysis, is the only way that large numbers of unskilled youth and minority group members will ever be effectively absorbed into industry.

I was going to amplify that a little bit to say this is the pitch we are here to make, that we are very, very desirous that the subcommittee look closely at on-the-job training and realize the broad canvass that it represents in the United States for training.

Most of the actual jobs that are learned in this country are learned at the jobsite, not in an institution of any type. Therefore, we feel that a greater portion of funds should be allowed to this type of training.

Senator RANDOLPH. Within the administration of the act, Mr. Hardman, is it your information that more funds are being directed to institutional training than to on-the-job training?

Mr. HARDMAN. From everything that I have been able to see and that I have been told, I would certainly gather that on-the-job training since the inception of the act has probably gained no more than 10 percent of the total funds expended with institutional getting the other 90. I have a few figures here from the Labor Department that might be worth repeating. So far, I believe as far as on-the-job training is concerned, up until right this moment, 27,000 trainees have been entered into the program at a total cost to the Government of $14 million. These are round figures—out of the $14 million, $2½ million went for training allowances through the employment service, but during the time that those people were on the job and with the projection of the ones that are in training now going forward to completion, the wages that they have earned are some $22 million, almost $23 million, which is considerably more than the cost to Uncle Sam for the training.

I think this is one of the big points we are trying to make in having on-the-job training get more consideration than it now gets.

The fact that in the type of program that our association conducts and the thing that the restaurant people and perhaps others are doing, there is 100-percent job placement; the cost to Uncle Sam per trainee is very low in relation to institutional training, and money is being earned and pumped back into the economy all of this time. I do not think anything more favorable can be said than that for the program. This is why we say that the committee working on this bill should certainly take into consideration on-the-job training, where most of the training takes place in the United States.

Senator RANDOLPH. Do you have any specific amendment that you want the subcommittee to consider, or are you merely saying that this is something, though not within the legislation, that should be highlighted in the report?

Mr. HARDMAN. We do not feel we are in a position to attempt to write legislation. We say we would like to bring these facts in front of the committee for the Congress which is charged with writing legislation and let them consider the thing on its merits, and I do not think that it has received the attention in the past that it deserves, and, when the first Manpower Act was passed, I do not think that attention enough was paid to it. I do not think that it came to light in the sense that everybody was able to consider it in perhaps the way we hope it will be considered this time.

Senator RANDOLPH. Do you have any knowledge that the Department itself has been rejecting these one-the-job training applications?

Mr. HARDMAN. The Department of Labor? I have been under the impression from what I have seen and heard that there are always

programs waiting for funding and no funds for them—for on-the-job training programs now. Bringing my own programs in for review, it is always an area of uncertainty when we arrive with our programs, after they have cleared all State and local levels and received all signatures and committee approval that it takes to get an on-the-job training program, and when we finally arrive at the funding source in Washington, it is then a matter of—Is the money there or not? Or will it be there next week? And this is one of the things that has pointed this up for us.

Senator RANDOLPH. Mr. Isenberg, do you have that problem?

Mr. ISENBERG. The same exact situation, sir. Mr. Hardman could not present my case more eloquently. The most aggravating thing was to have 110 job openings last July, and finally the funding is coming through now, while there were innumerable institutional programs that were able to be processed through. We say they have their place, but please give on-the-job training some recognition.

Senator RANDOLPH. Mr. Merrick we are happy to have you here today, because of your knowledge of this program and participation in it from the Government standpoint.

Off the record.

(Discussion off the record.)

Senator RANDOLPH. On the record.

Mr. Merrick, you have heard the comments of Mr. Hardman and Mr. Isenberg, and would you wish to provide the subcommittee with information on this point?

STATEMENT OF SAMUEL V. MERRICK, SPECIAL ASSISTANT TO THE SECRETARY OF LABOR FOR LEGISLATIVE AFFAIRS, DEPARTMENT OF LABOR

Mr. MERRICK. I certainly will, Senator, and I understand that your deadline on us for getting material in is next Tuesday. I guess that is February 23, and we will expect to have something for you giving you a brief history of the Department's efforts on the on-the-job type of training.

I know I can speak for the Secretary that he is most interested in increasing very substantially the Department's commitment in this area, and Mr. Ruttenberg, who is the new Manpower Administrator, is equally anxious to increase the emphasis of training in this area.

We know there are problems. There is substantial difficulty in assuring costs are kept down and it is a complicated problem with many employers and many labor organizations having strong views about this.

There is also the pressure that the Department is under that wants to be certain that employer conducted training costs are not being merely shifted to the Government in terms of a cost shift, but within the limitations of those things we are very mindful of the problem and I think actually the Department is doing much better in the past 12 months than it did before in straightening out some of the complexities of these programs.

Thank you, sir.

Senator RANDOLPH. Thank you, Mr. Merrick. I am impressed with the testimony of Mr. Isenberg, and Mr. Hardman, on this particular

point, and I do hope that we can find ways in which we can stimulate this type of training.

I think it is necessary that we have all the information possible in the subcommittee in order to consider this problem, based on the industries affected and the Department as it administers the program.

Thank you, Mr. Merrick, for your contribution to the discussion.

(Subsequently the following communication containing the requested information was submitted:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 24, 1965.

Hon. JENNINGS RANDOLPH,
U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: In connection with the hearings on the proposed amendments to the Manpower Development and Training Act, you asked for information concerning on-the-job training programs under the act.

Program emphasis is more and more toward on-the-job training rather than away from it. The results verify this focus. During fiscal year 1963, 107 Manpower Development and Training Act on-the-job training projects were approved for 1,535 trainees; during fiscal year 1964, this increased to 723 projects for 10,137 trainees; so far this fiscal year until February 3, 1965, the number increased to 1,548 projects and 17,788 trainees. We have made significant gains during each year and we anticipate a continued and even greater increase during the next year.

There have been the usual difficulties of resources and administration in getting a new program underway. However, our people who are developing the projects are now fully trained; we are using national organizations such as trade associations, State apprenticeship agencies, and others to help promote and develop on-the-job training projects; we are getting increased support from the 1,900 State employment service offices throughout the country; and the using employers, public and private organizations, unions, etc., have accepted the program and are giving support to it.

The Department of Labor is shifting its training emphasis from individual projects at the local level intended to train only a handful of persons to national projects training large numbers of people, particularly in the service industries. Specific examples of this type of training announced in the past 3 weeks by the President include: (1) A contract with the American Hospital Association to train 4,000 jobless persons in nonlicensed subprofessional jobs in 300 hospitals; (2) 19 Manpower Development and Training Act projects to train 1,000 jobless persons in such occupations as nurse's aid, auto mechanic, appliance servicing, and drycleaning; and (3) a contract for on-the-job training of cash register servicemen in 15 cities.

It is significant that the Department's budget for 1966 contemplates a goal of 60,000 on-the-job trainees. This compares to the 30,000 projected for fiscal year 1965.

As a courtesy to the chairman of the Subcommittee on Labor and Manpower, we are also providing Senator Clark with a copy of this letter.

If we can be of any further assistance to you, please do not hesitate to call upon us.

Sincerely,

SAMUEL V. MERRICK,
Special Assistant for Legislation.

Senator RANDOLPH. Mr. Hardman, did you wish to pursue this point further?

Mr. HARDMAN. Just one final point, and that is that we would hope those making any projection of on-the-job training needs would realize that there is something that is incontrovertible in this and that is that the shop floors, the factory floors of this country, constitute the largest single classroom. This is where most of the people learn to do the job that they are going to earn their living at. So regard-

less of how you cut it, this is where most of the training is going to take place.

Senator RANDOLPH. After they have completed this Manpower Development and Training Act training and go into apprenticeship, what is the status of their skills.

Mr. HARDMAN. In the particular program we are operating, there is just 12 weeks of very concentrated institutional training where we supply the instructor and the curriculum and select the boys. They go on the payroll of the various shops on the 13th week and they are what we call airborne at that point—meaning that whatever the wage paid in that area, whatever the minimum starting wage is for apprentices in that area, they can certainly earn it.

And in most cases, we have demonstrated this so well to manufacturers that they have pushed that starting wage up somewhat.

Senator RANDOLPH. It is important that we come to the realization that we must bring the full potential of on-the-job training under the act, particularly in groups and associations such as yours, Mr. Hardman. I think this is necessary, and I am not sure what proportion of Federal funds should be allocated. Do you have any suggestion?

Mr. HARDMAN. I am not really sure myself. I used 25 percent in the House committee the other day, but I think this should be left up to the committee, but all we want is their full attention to the matter.

Senator Randolph. Thank you very much, Mr. Hardman. Your testimony has been very helpful.

You and Mr. Isenberg made a good team today.

We will keep the record open through Wednesday, February 24.

The hearings are concluded with the session this morning. Thank you very much.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, subject to the call of the Chair.)

APPENDIX

FEBRUARY 24, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I submit for inclusion in the hearing record a statistical profile of the manpower and area redevelopment training programs in Rhode Island.

These facts amply demonstrate the worth of these two programs, and the benefits that Rhode Islanders have derived from them.

I am hopeful that our effort to make the manpower program permanent and properly funded will be successful for I am certain that Rhode Islanders can benefit even more if this is done.

Sincerely yours,

CLAIBORNE PELL, *U.S. Senator.*

Manpower Development and Training Act—Data on training projects and trainees

Through December 1964:	*Rhode Island*	*Providence-Pawtucket area*
Number of projects approved	36	34
Number of trainees authorized	1,185	1,168
Total cost of approved projects	$1,741,599	------

The following tables list Manpower Development and Training Act training projects approved through January 1965.

Projects approved under the Manpower Development and Training Act during July–December 1963, Rhode Island

INSTITUTIONAL TRAINING

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
202	Providence	Custodian	45	8
203	Providence-Pawtucket	Homemaker (domestic service)	48	42
204	Providence	Machine operator, general	18	25
207	Providence-Pawtucket	Clerk-stenographer (entry)	25	30
208	do	Machine operator, general (entry)	30	25
210	do	do	25	25
212	do	Machine operator, general	30	25
213	do	do	30	25
214	do	Turret lathe operator (entry)	32	30
215	do	Programer (entry)	20	52
216	do	Automobile mechanic (entry)	15	25
217	do	do	15	25

ON-THE-JOB TRAINING

J-1	Esmond	Loom fixer apprentice	12	24

Projects approved under the Manpower Development and Training Act during January–June 1964, Rhode Island

INSTITUTIONAL TRAINING

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
211	Providence-Pawtucket	Electrical appliance serviceman (entry)	30	30
220	do	Draftsman, architectural	20	40
221	do	Draftsman, mechanical	20	40
222	do	Draftsman, structural	15	40

NOTE.—On-the-job training: None.

Projects approved under Manpower Development and Training Act, Rhode Island

INSTITUTIONAL TRAINING

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
1	Providence-Pawtucket	Machine operator, general	26	30
2	do	Turret lathe operator	16	52
3	do	Automobile mechanic (entry)	24	52
4	do	Machine operator, general	15	30
6	do	Programer, computer (entry)	25	52
7	do	Automobile mechanic (entry)	15	30
8	do	Sheet metal worker (entry)	20	30
12	do	Auto body repairman, metal (entry)	15	40
13	do	Clerk-stenographer	25	30
17	do	Machine operator, general (entry)	15	30
18	do	do	15	30
20	do	do	15	30
21	do	do	15	30

NOTE.—On-the-job training: None.

Projects approved under the Manpower Development and Training Act during July–December 1964, Rhode Island

INSTITUTIONAL TRAINING

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
R-5001	Providence	Programer (entry)	20	52
R-5002	do	Loom fixer (textile) (entry)	24	24
R-5003	do	Spotter, general	40	16
R-5004	od	Presser, hand	40	16
YM-5009-000	do	Multioccupation	385	INA
YM-5009-001	do	Basic education	(150)	
YM-5009-002	do	Cook	15	
YM-5009-003	do	Baker	15	
YM-5009-004	do	Nurse aid	30	
YM-5009-005	do	Machine operator, general	45	
YM-5009-006	do	Automobile body repairman, metal	30	
YM-5009-007	do	Automobile service station mechanic.	30	
YM-5009-008	do	Orderly	26	
YM-5009-009	do	Cook, short order	15	
YM-5009-010	do	Counterman—Countergirl	26	
YM-5009-011	do	Waitress	30	
YM-5009-012	do	Nurseryman	20	
YM-5009-013	do	Clerk-typist	30	
YM-5009-014	do	Custodian II	20	
YM-5009-015	do	Seamstress (any industry)	15	
YM-5009-016	do	Seamstress, house furnishing	15	
YM-5009-017	do	Kitchen helper	15	
YM-5009-018	do	Maid, ward	20	
X-5013	Statewide	Individual referral (less than class group)	5	52

NOTE.—On-the-job training: None.

Area Redevelopment Act—Data on training projects and trainees in Rhode Island

Through Jan. 15, 1965:

Number of projects approved	16
Number of trainees authorized	1,225
Number of trainees who have already completed Area Redevelopment courses	[1] 611

[1] Approximately three-fourths of the trainees have been placed in steady jobs.

The following table shows Area Redevelopment Act courses approved through January 15, 1965, in the Providence-Pawtucket redevelopment area, Rhode Island.

Projects approved under the Area Redevelopment Act through Jan. 15, 1965, Rhode Island

Project No.	Area	Occupation	Number of trainees	Duration of course (in weeks)
Fiscal year 1962:				
2	Providence-Pawtucket-I	Typist	80	18
		Automobile mechanic	32	20
		Machine tool operator	66	20
2, supplement I.	Providence-Pawtucket-II	Bookkeeping machine operator	36	3
		Welder, combination	40	20
		Sheet metal worker	18	20
		Electronic mechanic	40	20
		Typist	120	20
		Machine tool operator	64	20
150	Providence-Pawtucket-III	Tabulating machine operator	40	20
		Console operator-computer programer.	120	18
Fiscal year 1963:				
266	Providence-Pawtucket	Sheet metal worker	20	20
346	do	Key punch operator	50	4
411	do	Machine operator, general	25	20
Fiscal year 1964:				
665	do	Nurse aid	40	5
850	do	Machine operator, general	15	20
851	do	do	20	20
852	do	do	15	20
861	do	Automobile service station mechanic (automobile).	15	16
901	do	Nurse, public health	72	3
903	do	Teller, banking	60	5
Fiscal year 1965:				
A-5015	do	Weaver, automatic loom, textile	120	12
A-5162	do	Automobile service station mechanic.	30	16
A-5166	do	Nurse aid (medical service)	72	6
A-5167	do	Machine operator, general	15	20

Background material on manpower training and development program in Rhode Island, Feb. 5, 1965

Labor force data	Rhode Island	Providence-Pawtucket area [1]
Labor force, 1964 annual average	354,300	360,800
Unemployment, annual average:		
1961	27,700	26,000
1962	24,900	23,500
1963	25,300	24,400
1964	22,900	22,300
Unemployment rate (percent):		
1961	(7.8)	(7.3)
1962	(7.0)	(6.5)
1963	(7.1)	(6.7)
1964	(6.5)	(6.2)
Employment, 1964 annual average:		
Total	331,400	338,500
Nonagricultural	297,800	305,100
Manufacturing	115,100	128,800
Metalworking	33,400	39,100
Jewelry, silverware, and related	16,900	24,900
Textile mill products	23,700	22,400

[1] Totals for Providence-Pawtucket area exceed those for all of Rhode Island because area includes som Massachusetts towns.

NOTES

(1) Data for jobless workers eligible for unemployment insurance in October 1964 show unemployment was heaviest in manufacturing, trade, service, and construction during that period. About half of the insured unemployed were men. About 57 percent of the unemployed were 45 years of age or over. Approximately 55 percent of the insured unemployed had been jobless for a month or more; 17 percent for 15 or more weeks.

(2) Unemployment in the State and in the Providence-Pawtucket labor area has dropped since 1961—both as to number of jobless workers and unemployment rate. There was significant improvement in 1964, although joblessness is still excessive. In the last several years, the data show a decline of jobs in the jewelry, silverware, and related industries and in textile mill products. This required the readjustment of laid-off workers, many of advanced age, to new occupations and industries.

(3) The Department of Labor has the Providence-Pawtucket labor area classified as one of substantial and persistent unemployment. The area is thus also a "redevelopment area" eligible for assistance under the Area Redevelopment Act.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
February 10, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment anad Manpower,
Senate Committee on Labor and Public Welfare,
New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the request of cognizant officials in my State of West Virginia, I am submitting for consideration by your subcommittee recommendations for the amending of the Manpower Development and Training Act of 1962.

We West Virginians have been greatly encouraged by the benefits afforded our people under terms of this act, and I believe that you will find impressive the data supplied to demonstrate the assistance which has been rendered.

With good wishes.

Sincerely yours,

ROBERT C. BYRD, *U.S. Senator.*

WEST VIRGINIA BOARD OF EDUCATION,
DIVISION OF VOCATIONAL EDUCATION,
Charleston, W. Va., February 9, 1965.

Hon. ROBERT C. BYRD,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: We have just been informed that legislation has been introduced in the U.S. Senate to amend the Manpower Development and Training Act of 1962. We refer to S. 974 that provides for several amendments of the act. Our examination of S. 974 reveals several features that are of importance and benefit to the future of the manpower training program in West Virginia.

Our main concern is that of the proposed matching funds on the basis of 90 percent Federal funds and 10 percent State and/or local funds. The 10 percent State and/or local funds may be in cash or in kind.

We are sending you several reports about our manpower training program to indicate what it has meant over the past several years to the people and the economy of West Virginia. The availability of total Federal funding has given us the opportunity to initiate training in many areas where the unemployed were living but had no opportunity to acquire a skill through institutional training. This total Federal funding enabled us to approach county school systems with an offer to utilize their facilities as a source of training.

Our major concern over the past several months has been the problem of securing State matching funds for the purpose of satisfying the existing matching ratio in the Manpower Development and Training Act. Your familiarity with the problems of State finance makes any suggestion relative to State funds for matching Federal funds a task of considerable proportions. The struggle to locate State moneys to finance a teacher salary increase would merely indicate the task facing our State legislators. The favorable matching ratio found in S. 974 is an inducement for us to make every effort to continue this program.

We find continued reference being made to the increasing mobility of labor. This mobility should be recognized as a factor in justifying the new matching ratio of 90 percent Federal funds to 10 percent State and/or local funds.

Many of the people that have received the benefits of training through our manpower training programs have sought employment beyond the State boundary. Their economic contribution should be most helpful in explaining our reasons for support of the concept of Federal sharing as indicated in S. 974.

The matching ratio found in recent Federal legislation, such as the Economic Opportunity Act of 1964, has had most favorable acceptance at the local or community level. We have been told that the matching ratio in the existing Manpower Development and Training Act will penalize a State or local community in its attempt to provide training opportunities for out-of-school youth and adults.

We believe that the changing labor market makes it necessary for institutional training to become more sophisticated through longer periods of training if it is to raise the educational level of the potential worker and provide him with those occupational competencies that will enable him to enter the labor market at a higher employment level than is now possible.

In the review of the amendments proposed in S. 974, we believe more emphasis should be given to institutional training so as to encourage the broader development of training opportunities. Provision should be made for the inclusion of authority for the Secretary of Health, Education, and Welfare to establish programs of experimental, developmental, demonstration, and pilot projects that are related to recruitment, study of trainee characteristics, improvement of instructional techniques, and the demonstrating effectiveness of methods in satisfying manpower needs.

We were encouraged to learn of S. 974 and seek your understanding of our position and, in behalf of vocational educators, your support for this bill.

May we also encourage you to present the case of West Virginia to Senator Joseph S. Clark in behalf of a favorable matching ratio so as to provide a continuous manpower training program for West Virginia and its people.

Very truly yours,

FRED W. EBERLE, *State Director.*

Manpower Development and Training Act training summary (Jan. 7, 1963, to Jan. 28, 1965)

West Virginia project No. 1 through (R)5008 (excluding West Virginia and AAY–5001):	
Number of courses approved	52
Number of trainees approved	864
Department of Labor costs	$658, 885
Department of Health, Education, and Welfare costs	586, 260
Total costs	1, 245, 145
West Virginia statewide project No. 213–214:	
Number of courses approved	139
Number of trainees approved	2, 324
Department of Labor costs	$2, 167, 610
Department of Health, Education, and Welfare costs	1, 523, 033
Total costs	3, 690, 643
AAY special youth project (YM)5001–000:	
Number of courses approved	16
Number of trainees approved	335
Department of Labor costs	$385, 555
Department of Health, Education, and Welfare costs	203, 116
Total costs	588, 671
Grand total all Manpower Development and Training Act:	
Number of courses approved	207
Number of trainees approved	3, 523
Department of Labor costs	$3, 212, 050
Department of Health, Education, and Welfare costs	2, 312, 409
Total costs	5, 524, 459

Manpower Development and Training Act training projects, West Virginia 1-(R)5008 (West Virginia 213-214 and (YM)5001 excluded)—Summary, Jan. 28, 1965

West Virginia project No.	Section No.	Occupation	DOT	Employment service local office	Training location	Number of trainees	Number of weeks	Starting date	Employment Service costs	HEW costs	Comments
1	1	Draftsman	0-48.18	Martinsburg	Charlestown	12	22	Feb. 25, 1963	$6,508	$6,283	Completed.
2	1	Electrician, ship	4-97.210	Point Pleasant	Point Pleasant	15	15	Feb. 18, 1963	18,600	20,981	Do.
2	2	do	4-97.210	do	do	15	15				Not started, deobligated.
2	3	do	4-97.210	do	do	15	15				Do.
3	1	Pipefitter	5-30.015	do	do	15	15	Feb. 18, 1963	12,400	14,240	Completed.
3	2	do	5-30.015	do	do	15	15				Not started, deobligated.
4	1	Machine operator, general	6-78.905	do	do	20	15	Jan. 7, 1963	7,400	6,062	Completed.
5	1	Loftsman	5-17.210	do	do	20	15		7,400	5,098	Canceled.
6	1	Cook	2-26.32	Beckley	Beckley	20	48	Feb. 25, 1963	48,280	18,375	Completed.
7	1	Office machine serviceman	5-83.111	Parkersburg	Parkersburg	15	46	Feb. 4, 1963	15,180	16,500	Do.
8	1	Clerk-stenographer	1-37.12	Charleston	Charleston	20	23	Jan. 14, 1963	10,120	5,048	Do.
9	1	Operating room technician	0-50.015	do	do	10	21	do	4,620	5,865	Do.
11	1	Nurse, practical	2-38.20	Bluefield	Bluefield	20	52	Mar. 18, 1963	42,620	23,634	Do.
12	1	Male attendant	2-42.10	Charleston	Charleston	15	3	Feb. 11, 1963	1,308	668	Do.
13	1	Ward clerk	1-05.01	do	do	20	12	do	5,520	3,150	Do.
14	1	Electrical assembler	6-98.022	Martinsburg	Martinsburg	15	16	Feb. 18, 1963	22,660	16,720	Do.
14	2	do	6-98.022	do	do	15	16	July 8, 1963			Do.
14	3	do	6-98.022	do	do	15	16				Not started, deobligated.
15	1	Farmhand, dairy	3-14.10	do	Charlestown	20	12	Feb. 25, 1963	15,920	3,746	Completed.
16	1	Farmhand, fruit	3-15.21	do	Martinsburg	20	10	Mar. 4, 1963	13,600	3,645	Do.
17	1	Auto mechanic	5-81.010	Bluefield	Bluefield	16	43	June 3, 1963	33,024	32,924	Do.
17	2	do	5-81.010	do	do	16	43	June 24, 1963			
18	1	Auto body repairman	5-81.510	do	do	15	43	do	15,480	22,085	Do.
19	1	Custodial service	2-84.10	Charleston	Charleston	20	10	June 10, 1963	9,600	7,858	Do.
19	2	do	2-84.10	do	do	20	10	Jan. 6, 1964			
20	1	Auto mechanic	5-81.010	Wheeling	Wheeling	15	43	June 10, 1963	15,480	29,510	Do.
21	1	Auto body repairman	5-81.510	do	do	15	43	do	15,480	29,089	Do.
201	1	Auto mechanic	5-81.010	Charleston	Charleston	15	43	Sept. 3, 1963	15,480	13,149	Do.
202	1	Auto body repairman	5-81.510	do	do	15	43	do	15,480	17,439	Do.
203	1	Radio-TV repairman	5-83.416	do	do	15	21	do	15,120	13,990	Do.
203	2	do	5-83.416	do	do	15	21	Feb. 10, 1964			
204	1	Clerk-stenographer	1-37.12	Ronceverte	Rupert	15	23	Oct. 7, 1963	4,320	7,888	Do.
205	1	Cabinetmaker	4-32.100	Weirton	Wheeling	16	17	Oct. 14, 1963	6,912	7,441	Do.
206	1	Finisher, glass	4-65.410	Grafton	Grafton	20	28	Dec. 9, 1963	13,440	25,229	Do.

Manpower Development and Training Act training projects, West Virginia 1–(R)5008 (West Virginia 213–214 and (YM)5001 excluded)—Summary, Jan. 28, 1965—Continued

West Virginia project No.	Section No.	Occupation	DOT	Employment service local office	Training location	Number of trainees	Number of weeks	Starting date	Employment Service costs	HEW costs	Comments
207	1	Gatherer-blower	4-65.430	Grafton	Grafton	20	39	Sept. 30, 1963	$18,720	$38,032	Completed
208	1	Cabinetmaker	4-32.100	Ronceverte	Rainelle	15	18	Dec. 2, 1963	12,960	17,001	Do.
208	2	do	4-32.100	do	do	15	18				Canceled.
209	1	Male attendant	2-42.10	Charleston	Charleston	12	3		1,308	668	Do.
210	1	Welder, combination	4-85.040	Fairmont	Fairmont	15	13	Jan. 20, 1964	13,670	21,495	Completed.
210	2	do	4-85.040	do	do	15	13	May 4, 1964			Do.
211	1	Machine operator, general	6-78	do	do	15	13	Jan. 27, 1964	20,505	21,463	Do.
211	2	do	6-78	do	do	15	13	May 25, 1964			Do.
211	3	do	6-78	do	do	15	13	Aug. 31, 1964			Do.
212	1	Electrician, independent	4-97.010	do	do	15	16	Jan. 20, 1964	8,395	13,388	Do.
(R)5002	1	Clerk-stenographer	1-37.12	Bluefield	Bluefield	15	23	Sept. 21, 1964	19,875	8,490	In progress.
(R)5003	1	Dental assistant	1-32.10	Charleston	Charleston	12	38	Oct. 19, 1964	31,200	25,071	Do.
(R)5003	2	do	1-32.10	do	do	12	38				Not started.
(R)5004	1	Gatherer-blower	4-65.430	Weston	Weston	48	34	Nov. 9, 1964	79,680	47,816	In progress.
(R)5005	1	Cabinetmaker	4-32.100	Ronceverte	Richwood	15	18	Nov. 16, 1964	14,120	9,649	Do.
(R)5006	1	Ward clerk	1-05.01	Charleston	Charleston	20	12	Jan. 18, 1965	12,200	2,949	Do.
(R)5007	1	Auto body repairman	5-81.510	Wheeling	Wheeling	15	25	Jan. 4, 1965	17,150	12,288	Do.
(R)5008	1	Auto mechanic	5-81.010	do	do	15	25	do	17,150	11,333	Do.

West Virginia statewide multioccupational, project No. 213 (adult)—Summary, Jan. 28, 1965

West Virginia project No.	Section No.	Occupation	DOT	Employment Service local office	Training location	Number of trainees	Number of weeks	Starting date	Employment Service costs	HEW costs	Comments
213-1-1	1	Operating room technician	0-50.015	Charleston	Charleston	5	21	Feb. 10, 1964	$3,105	$4,408	Completed.
213-1-2	1	do	0-50.015	do	do	12	21	Jan. 25, 1965	13,745	4,584	In progress.
213-2-1	1	Office reproduction worker	1-25.26	do	do	20	39	Apr. 27, 1964	28,415	69,172	Completed.
213-3-1	1	Farmhand, dairy	3-14.10	Martinsburg	Charlestown	20	16	Feb. 17, 1964	19,310	5,019	Do.
213-3-2	1	do	3-14.10	Point Pleasant	Wahama	15	16	Feb. 24, 1964	5,520	5,770	Do.
213-4-1	1	Farmhand, general	3-16.10	Ronceverte	Union	15	18	Feb. 10, 1964	6,210	5,700	Do.
213-5-1	1	Farm machine, operator	3-33.60	do	Ronceverte	15	16	Feb. 17, 1964	8,490	6,772	Do.
213-5-2	1	do	3-33.60	Martinsubrg	Martinsburg	15	16	Feb. 10, 1964	11,450	6,773	Do.
213-6-1	1	Office machine serviceman	5-82.111	Parkersburg	Parkersburg	15	32	Mar. 16, 1964	22,260	11,828	Do.
213-7-1	1	Diesel mechanic	5-83.931	do	do	15	45	do	38,500	79,744	Do.
213-7-1	2	Diesel mechanic, helper	5-83.931	do	do	15	24	Jan. 11, 1965	25,050		In progress.
213-9-1	1	Welder, combination	4-85.040	Beckley	Beckley	20	20	Apr. 27, 1964	12,680	10,596	Completed.
213-9-2	1	do	4-85.040	Oak Hill	Oak Hill	15	20	July 6, 1964	13,650	12,560	Do.
213-9-3	1	do	4-85.040	Huntington	Huntington	15	20	July 27, 1964	13,650	15,047	Do.
213-9-4	1	do	4-85.040	Martinsburg	Berkeley Springs	15	20		13,650	7,271	Not started.
213-9-5	1	do	4-85.020	Clarksburg	Clarksburg	18	20	Oct. 19, 1964	15,610	14,782	In progress.
213-9-6	1	do	4-85.040	Bluefield	Hinton	15	20	Nov. 12, 1964	13,600	9,322	Do.
213-9-7	1	do	4-85.040	Logan	Logan	15	20	Oct. 15, 1964	13,600	11,617	Do.
213-9-8	1	do	4-85.040	Welch	Welch	17	20	Oct. 19, 1964	14,990	14,481	Do.
213-9-9	1	do	4-85.040	Clarksburg	Shinnston	20	15		15,350	12,634	Not started.
213-10-1	1	Auto mechanic	5-81.010	do	Clarksburg						Canceled. (See 214-10-1.)
213-10-2	1	do	5-81.010	Huntington	Huntington	15	36	July 27, 1964	24,850	14,100	In progress.
213-10-3	1	do	5-81.010	Morgantown	Morgantown	15	36	do	24,850	16,207	Do.
213-10-4	1	do	5-81.010	Williamson	Williamson	15	36	Sept. 28, 1964	24,800	10,923	Do.
213-10-5	1	do	5-81.010	Beckley	Beckley	15	36	Oct. 5, 1964	24,800	10,447	Do.
213-10-6	1	do	5-81.010	Welch	Pineville	15	36	Oct. 19, 1964	24,800	14,882	Do.
213-11-1	1	Auto body repairman	5-81.510	Wheeling	Wheeling	15	36	Apr. 27, 1964	18,820	20,552	Completed.
213-11-2	1	do	5-81.510	Charleston	Charleston	15	35	Oct. 19, 1964	24,150	11,190	In progress.
213-12-1	1-5	Psychiatric nurse assistant	2-42.20	New Martinsville	New Martinsville						Not used, transferred to Huntington and Parkersburg.
213-12-1	1	do	2-42.20	Huntington	Barboursville	20	12	Oct. 19, 1964	36,300	15,371	Completed.
213-12-1	2	do	2-42.20	do	do	20	12	Jan. 11, 1965			In progress.
213-12-1	3	do	2-42.20	do	do	20	12				Not started.
213-12-2	1	do	2-42.20	Parkersburg	Spencer	20	12		28,500	11,027	Do.
213-12-2	2	do	2-42.20	do	do	20	12				Do.
213-13-1	1	Auto mechanic	5-81.010	Wheeling	Wheeling	15	36	Apr. 27, 1964	18,820	19,063	Completed.

West Virginia statewide multioccupational, project No. 213 (adult)—Summary, Jan. 28,1965 —Continued

West Virginia project No.	Section No.	Occupation	DOT	Employment Service local office	Training location	Number of trainees	Number of weeks	Starting date	Employment Service costs	HEW costs	Comments
213-14-1	1	Nurse, practical	0-52.83	Bluefield	Bluefield	20	52	May 4, 1964	$43,360	$15,512	In progress.
213-14-2	1	do	0-52.83	Martinsburg	Martinsburg	20	52	June 29, 1964	17,900	24,148	Do.
213-15-1	1	Clerk-stenographer	1-37.12	Charleston	Charleston	20	30	Aug. 31, 1964	20,330	22,878	Do.
213-15-2	1	do	1-37.12	Welch	Pineville	15	22	Nov. 2, 1964	15,000	11,462	Do.
213-16-1	1	Auto service specialist	7-81.011	Martinsburg	Martinsburg	15	22		15,050	9,107	Not started.
213-17-1	1	Masonary helper	7-97.410	Point Pleasant	Cedar Lakes	15	12	July 20, 1964	8,720	7,967	Completed.
213-17-2	1	do	7-97.410	Bluefield	Hinton	15	12	May 25, 1964	8,720	7,074	Do.
213-18-1	1	Carpenter helper	7-93.100	do	do	15	15	May 11, 1964	8,125	6,443	Do.
213-18-2	1	do	7-93.100	Point Pleasant	Cedar Lakes	15	15	June 29, 1964	10,850	11,116	Do.
213-18-3	1	do	7-93.100	Weston	Buckhannon	15	15		10,150	7,232	Not started.
213-19-1	1	Bookkeeper	1-01.02	Charleston	Charleston	15	24	Dec. 14, 1964	17,850	16,428	In progress.
213-19-2	1	Bookkeeping machine operating	1-02.01	Parkersburg	Parkersburg	15	20	Sept. 21, 1964	30,900	27,915	Do.
213-19-2	2	do	1-02.01	do	do	15	20				Not started.
213-20-1	1	Secretary	1-33.01	Charleston	Charleston	20	36	Oct. 5, 1964	31,540	12,285	In progress.
213-20-2	1	do	1-33.01	Logan	Logan	20	36	Sept. 28, 1964	30,950	10,363	Do.
213-20-3	1	do	1-33.01	Huntington	Huntington	20	36		30,950	14,216	Not started.
213-20-4	1	do	1-33.01	Clarksburg	Clarksburg	20	32	Nov. 16, 1964	27,500	9,691	In progress.
213-20-5	1	do	1-33.01	Martinsburg	Martinsburg	20	32	Oct. 26, 1964	27,500	18,875	Do.
213-21-1	1	Seamstress	4-25.020	Clarksburg	Clarksburg	12	15	Aug. 31, 1964	4,320	6,818	Completed.
213-21-2	1	do	4-25.020	Huntington	Huntington	15	15		10,150	5,288	Not started.
213-21-3	1	do	4-25.020	Clarksburg	Clarksburg	12	15	Jan. 11, 1965	8,665	4,918	In progress.
213-22-1	1	Cook helper	2-26.32	Charleston	Charleston	15	20	June 1, 1964	10,800	6,813	Completed.
213-22-2	1	do	2-26.32	Beckley	Beckley	15	20		13,650	6,857	Not started.
213-22-3	1	do	2-26.32	Charleston	Charleston	15	20	Dec. 7, 1964	13,650	7,642	In progress.
213-23-1	1	Landscape aid	3-40.06	Point Pleasant	Cedar Lakes	20	50		58,500	13,545	Not started.
213-24-1	1	Electrician helper	7-95.100	Beckley	Beckley	15	20	July 13, 1964	17,250	6,399	Completed.
213-25-1	1	Gatherer, blower, blocker	4-65.430	Grafton	Grafton	22	39	July 6, 1964	36,295	28,964	In progress.
213-26-1	1	Finisher, presser, gatherer	4-65.410	do	do	12	28	July 27, 1964	16,400	20,706	Do.
213-27-1	1	Nurse aid	2-42.20	Moundsville	Moundsville						Canceled. (See 214-27-1.)
213-27-1	1	do	2-42.20	Charleston	Charleston	15	4	Oct. 26, 1964			Completed.
213-27-1	2	do	2-42.20	do	do	15	4	Nov. 23, 1964	7,680	4,497	Do.
213-27-1	3	do	2-42.20	do	do	15	4	Jan. 18, 1965			In progress.
213-27-1	4	do	2-42.20	do	do	15	4				Not started.
213-27-2	1	do	2-42.20	Clarksburg	Clarksburg	20	4		3,680	1,058	Do.
213-28-1	1	Machine operator, general	6-78.905	Oak Hill	Oak Hill	15	30	July 6, 1964	20,650	7,892	In progress.
213-28-2	1	do	6-78.905	Huntington	Huntington	15	30	Aug. 17, 1964	20,650	14,122	Do.
213-28-3	1	do	6-78.905	Charleston	Charleston	15	30	Oct. 26, 1964	20,600	8,281	Do
213-28-4	1	do	6-78.905	Welch	Welch	15	30	Oct. 19, 1964	20,600	9,735	Do.

213-28-5	1	do	6-78.905	Williamson	Williamson	15	30	do	20,600	12,272	Do.
213-28-6	1	do	6-78.905	Bluefield	Bluefield	16	30	Nov. 16, 1964	21,670	14,563	Do.
213-29-1	1	Salesperson, auto parts	1-75.22	Wheeling	Wheeling	20	36	Oct. 19, 1964	37,300	13,876	Do.
213-29-2	1	do	1-75.22	Clarksburg	Clarksburg	15	35	Nov. 17, 1964	24,100	12,127	Do.
213-30-1	1	Housekeeper aid	2-25.99	Charleston	Charleston	15	4		1,920	1,876	Not started.
213-31-1	1	Salesperson, general	1-75.71	Clarksburg	Clarksburg	20	9	Oct. 5, 1964	5,760	2,582	Completed.
213-31-3	1	do	1-75.71	Huntington	Huntington	20	9		5,760	2,048	Not started.
213-31-4	1	do	1-75.71	Bluefield	Bluefield	20	9		7,435	3,458	Do.
213-32-1	1	Instrument repairman	5-83.971	Charleston	Charleston	15	48	July 27, 1964	33,250	60,481	In progress.
213-34-1	1	Child day care worker	2-43.97	do	do	15	9		5,995	2,792	Not started.
213-35-1	1	Commercial artist	0-44.21	Point Pleasant	Cedar Lakes	15	48		46,350	14,866	Do.
213-36-1	1	Mine maintenance mechanic	5-83.641	Beckley	Beckley	17	46	July 27, 1964	70,020	33,434	In progress.
213-36-1	2	do	5-83.641	do	do	17	46	Aug. 10, 1964			Do.
213-36-2	1	do	5-83.641	Welch	Welch	17	43	Aug. 31, 1964	54,520	29,841	Do.
213-36-2	2	do	5-83.641	do	do	17	43				Not started.
213-37-1	1	Tabulating machine operator	1-25.64	Parkersburg	Parkersburg	20	23	Oct. 26, 1964	28,025	31,568	In progress.
213-38-1	1	Key punch operator	1-25.62	do	do	10	8	Dec. 14, 1964	13,880	16,723	Do.
213-38-1	2	do	1-25.62	do	do	10	8				Not started.
213-38-1	3	do	1-25.62	do	do	10	8				Do.
213-39-1	1	EDP programer	0-69.98	do	do	20	45	Aug. 17, 1964	109,950	79,246	In progress.
213-39-1	2	do	0-69.98	do	do	20	45	do			Do.
213-40-1	1	Custodian	2-84.10	Charleston	Charleston	20	14	do	11,750	4,876	Completed.
213-40-2	1	do	2-84.10	Huntington	Huntington	20	14	Dec. 7, 1964	11,700	8,127	In progress.
213-40-3	1	do	2-84.10	Clarksburg	Clarksburg	20	14		11,700	5,325	Not started.
213-40-4	1	do	2-84.10	Wheeling	Wheeling	20	14		11,700	4,627	Do.
213-41-1	1	Forester aid	0-68.24	Elkins	Elkins	20	36	Sept. 21, 1964	37,400	19,944	In progress.
213-42-1	1	Medical records clerk	1-18.43	Charleston	Charleston	15	18	Nov. 30, 1964	9,000	4,841	Do.
213-43-1	1	Salesman, insurance	1-57.10	do	do	15	12		8,000	3,179	Not started.
213-44-1	1	Highway Engineer aid	0-16.61	do	do	15	20	Jan. 11, 1965	13,600	14,910	In progress.
213-45-1	1	Routeman	7-35.100	Weston	Sutton	15	9		5,945	2,415	Not started.
213-46-1	1	Presser, laundry and drycleaning	7-57.511	Beckley	Beckley	15	8		5,340	2,588	Do.
213-47-1	1	Heavy equipment operator	5-23.99	Bluefield	Bluefield	15	16	Nov. 2, 1964	14,790	7,021	In progress.
213-48-1	1	Waitress	2-27.12	Charleston	Charleston	20	4		3,360	1,425	Not started.
213-49-1	1	Maintenance man, building	5-83.611	Huntington	Huntington	20	24		22,220	5,706	Do.

West Virginia statewide multioccupational, project No. 214 (youth)—Summary, Jan. 28, 1965

West Virginia project No.	Section No.	Occupation	DOT	Employment Service local office	Training location	Number of trainees	Number of weeks	Starting date	Employment Service costs	HEW costs	Comments
214-1-1	1	Operating room technician	0-50.015	Charleston	Charleston	10	21	Feb. 10, 1964	$5,400	(1)	Completed.
214-2-1	1	Office reproduction worker	1-25.26	do	do	15	39	Sept. 14, 1964	11,955	(2)	In progress.
214-6-1	1	Office machine serviceman	5-82.111	Parkersburg	Parkersburg						Canceled.
214-9-1	1	Welder, combination	4-85,040	Welch	Pineville	15	20	Nov. 23, 1964	9,000	$14,208	In progress.
214-9-1	1	do	4-85.040	Beckley	Beckley						Cancelled.
214-9-2	1	do	4-85.040	Bluefield	Hinton	15	20	Oct. 26, 1964	9,000	9,322	In progress.
214-10-1	1	Auto mechanic	5-81.010	Clarksburg	Clarksburg	15	36	May 18, 1964	16,120	17,283	Completed.
214-15-1	1	Clerk-stenographer	1-37.12	Charleston	Charleston	20	30	Aug. 31, 1964	13,450	(3)	In progress.
214-15-2	1	do	1-37.12	Fairmont	Fairmont	20	30	July 13, 1964	10,800	10,626	Do.
214-15-3	1	do	1-37.12	Parkersburg	Parkersburg	15	22	Nov. 30, 1964	9,890	10,067	Do.
214-15-4	1	do	1-37.12	Moundsville	Moundsville	20	30	July 6, 1964	10,800	7,537	Do.
214-15-5	1	do	1-37.12	Williamson	Williamson	20	30	June 29, 1964	10,800	8,992	Completed.
214-15-6	1	do	1-37.12	Weston	Buckhannon	20	30	July 6, 1964	10,800	8,583	In progress.
214-15-7	1	do	1-37.12	Logan	Logan	20	30	June 29, 1964	7,920	12,113	Completed.
214-15-8	1	do	1-37.12	Welch	Welch	20	30	Nov. 23, 1964	10,800	9,107	In progress.
214-15-9	1	do	1-37.12	Huntington	Huntington	20	22	Nov. 16, 1964	7,920	11,545	Do.
214-15-10	1	do	1-37.12	Bluefield	Bluefield	15	22	Sept. 28, 1964	5,940	12,191	Do.
214-15-11	1	do	1-37.12	Beckley	Beckley	20	22	Oct. 12, 1964	7,920	8,005	Do.
214-15-12	1	do	1-37.12	Bluefield	Hinton	20	22	Jan. 11, 1965	9,890	10,931	Do.
214-15-13	1	do	1-37.12	Williamson	Kermit	20	30	Nov. 30, 1964	16,150	7,250	Do.
214-16-1	1	Auto service specialist	7-81.011	Charleston	Charleston	15	22	June 29, 1964	3,960	7,616	Completed.
214-16-2	1	do	7-81.011	Weston	Sutton	15	22	July 6, 1964	5,940	7,389	Do.
214-16-3	1	do	7-81.011	Welch	Welch	15	22	Oct. 5, 1964	5,940	8,721	In progress.
214-19-1	1	Bookkeeper	1-01.02	Charleston	Charleston	15	24	Dec. 14, 1964	6,480	(4)	Do.
214-19-2	1	do	1-01.02	Martinsburg	Martinsburg	15	24		10,780	13,872	Not started.
214-19-3	1	Bookkeeping machine operator	1-02.01	Bluefield	Bluefield	20	20		12,240	17,561	Do.
214-24-1	1	Electrician helper	7-95.100	Welch	Pineville	15	20	Jan. 25, 1965	9,000	9,083	In progress.
214-27-1	1	Nurse aid	2-42.20	Moundsville	Moundsville	15	4	July 20, 1964	1,080	1,212	Completed.
214-27-2	1	do	2-42.20	Charleston	Charleston	15	4	Aug. 31, 1964	1,080	1,114	Do.
214-29-1	1	Salesperson, auto parts	1-75.22	Bluefield	Bluefield	15	38	July 20, 1964	10,260	13,648	In progress.
214-31-1	1	Salesperson, general	1-75.71	Charleston	Charleston	15	9		2,430	3,823	Not started.
214-31-2	1	do	1-75.71	Wheeling	Wheeling	20	9	Sept. 28, 1964	3,240	2,562	Completed.
214-31-3	1	do	1-75.71	Beckley	Beckley	20	9	Jan. 25, 1965	4,915	3,354	In progress.
214-31-4	1	do	1-75.71	Logan	Logan	20	12	do	6,520	2,422	Do.
214-32-1	1	Instrument repairman	5-83.971	Charleston	Charleston	15	48	July 27, 1964	21,460	(5)	Do.
214-33-1	1	TV repairman	5-83.416	Beckley	Beckley	15	20	Aug. 24, 1964	9,000	5,956	Completed.
214-33-1	1	do	5-83.416	Charleston	Charleston	15	21	Dec. 14, 1964	5,670	6,963	In progress.
214-50-1	1	Millman, woodworking	4-33.914	Weston	Webster Springs	20	16	Jan. 25, 1965	11,560	5,151	Do.

[1] Costs included in 213-1-1.
[2] Costs included in 213-2-1.
[3] Costs included in 213-15-1.
[4] Costs included in 213-19-1.
[5] Costs included in 213-32-1.

Multioccupational youth training program—Estimated cost of training

West Virginia No.	Project occupation	Estimated number of—		Total trainee weeks	Total training facility cost	Trainees with training allowance	Trainees with subsistence and transportation allowance	Total weeks of training allowance	Weekly training allowance cost	Total training allowance cost	Total subsistence allowance cost	Total transportation allowance cost	Total training and subsistence and transportation allowance	Total program cost [1]
		Trainees	Weeks											
WVA(YM)5001-000		335		12,905	$203,116	335	112	12,905		$232,290	$151,025	$2,240	$385,555	$588,671
WVA(YM)5001-001	Orientation and adjustment	335	12	4,020	(2)	335	112	4,020	$18	72,360	47,040	2,240	121,640	121,640
WVA(YM)5001-002	Basic education	335	16	5,360	(3)	335	112	5,360	18	96,480	62,720		159,200	159,200
WVA(YM)5001-003	Groundskeeper	15	15	225	11,493	15	5	225	18	4,050	2,625		6,675	18,168
WVA(YM)5001-004	Cook assistant	30	14	420	11,296	30	10	420	18	7,560	4,900		12,460	23,756
WVA(YM)5001-005	Male attendant	15	3	45	5,623	15	5	45	18	810	525		1,335	6,958
WVA(YM)5001-006	Stock clerk	30	12	360	17,579	30	10	360	18	6,480	4,200		10,680	28,259
WVA(YM)5001-007	Auto service station attendant	60	4	240	22,495	60	20	240	18	4,320	2,800		7,120	29,615
WVA(YM)5001-008	Clerk, general office	20	12	240	11,279	20	7	240	18	4,320	2,940		7,260	18,539
WVA(YM)5001-009	Machine operator, general, welder.	30	16	480	31,662	30	10	480	18	8,640	5,600		14,240	45,902
WVA(YM)5001-010	Routeman	15	6	90	6,628	15	5	90	18	1,620	1,050		2,670	9,298
WVA(YM)5001-011	Auto service specialist	30	16	480	17,787	30	10	480	18	8,640	5,600		14,240	32,027
WVA(YM)5001-012	Painter, automobile	15	16	240	11,294	15	5	240	18	4,320	2,800		7,120	18,414
WVA(YM)5001-013	Sales clerk-cashier	30	9	270	25,525	30	10	270	18	4,860	3,150		8,010	33,535
WVA(YM)5001-014	Custodian	15	8	120	8,877	15	5	120	18	2,160	1,400		3,560	12,437
WVA(YM)5001-015	Drycleaner-presser	15	9	135	12,509	15	5	135	18	2,420	1,575		4,005	16,514
WVA(YM)5001-016	Meter repairman	15	12	180	9,069	15	5	180	18	3,240	2,100		5,340	14,409

[1] Does not include employment service project administration costs. [2] None. [3] Prevocational and basic education costs included in individual training courses.

ARA TRAINING PROGRAMS PROGRESS REPORT—SUMMARY BY COUNTIES, DECEMBER 1961–JANUARY 15, 1965

Number trainees completed 1,929
Number trainees employed 1,569
Percent working 81

Area Redevelopment Act training courses, December 1961

County	Number of classes completed	Number of trainees completed	Number of trainees employed	Number of classes in progress	Number of trainees enrolled	Number of trainees to start
Cabell [1]	14	196	149	0	0	0
Fayette	2	33	28	0	0	0
Grant	7	99	70	0	0	0
Harrison	18	282	230	0	0	0
Kanawha	61	913	809	0	0	0
Marion	1	16	14	0	0	0
Marshall [2]						
Mercer	4	47	15	1	15	0
Mingo	8	110	69	0	0	0
Monongalia	1	10	9	0	0	0
Ohio [2]	6	73	38	0	0	0
Raleigh	4	50	45	0	0	0
Taylor	1	9	5	0	0	0
Wayne [1]						
Webster	5	79	76	0	0	0
Wood	1	12	12	0	0	0
Total	133	1,929	1,569	1	15	0

[1] Wayne combined with Cabell County.
[2] Marshall combined with Ohio County.

FEBRUARY 24, 1965.

Chairman, Subcommittee on Employment and Manpower,
Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: The State of Alaska has brought to my attention a difficulty which has arisen with regard to the transportation allowance given to trainees enrolled in the Manpower, Development and Training Act programs and I want to bring this matter to your attention while the subcommittee is holding hearings on the Manpower Act of 1965.

The rate of compensation for transportation expenses is established at 10 cents a mile. I am enclosing copy of a schedule drawn up by the Alaska Department of Labor which shows a comparison of the actual fare from the trainee's home to his place of training, the maximum allowance payable, the mileage involved and the difference this makes and which in most cases amounts to a sum larger than the allowance. In most cases this difference has been made up from the welfare funds of the Bureau of Indian Affairs because many of the trainees are Indians or Eskimos. However, in many cases the trainees are not Alaska natives and they must make up the difference from their pockets.

To me this seems inequitable because the program is designed to assist those who are unemployed, and have had no income, to become employed. I have been told that in cases of extreme hardship employees of the Department of Labor have made up the difference from their own pockets. This should not be allowed to continue, not only because Alaska's Labor Department employees are not paid a sufficient amount to cover this kind of expense, but also because the Bureau of Indian affairs is sacrificing money from its welfare fund, intended to be spent for the general welfare of native families, in bringing trainees to training facilities.

I should like to propose that an amendment be included to cover this exigency by stating that an allowance of 10 cents per mile will be given trainees except in cases where trainees are forced to use commercial transportation and the fare charged is higher than the total allowance made available. Many of the trainees

in Alaska must depend upon air transportation for the simple reason that there is no other transportation available. The only choice the trainees have in this regard is whether to take the training or not, but it seems to me this is far too severe a criterion to be used.

With highest regards, I am,

Sincerely yours,

E. L. BARTLETT, *U.S. Senator.*

Manpower Development and Training Act—Transportation allowances

From (town)—	Nome via—	Round trip fare	Maximum allowance payable	Difference	Round trip mileage
St. Paul	Anchorage	$210	$131.50	$78.50	1,315
Savoonga	Northeast Cape	60	18.00	42.00	180
Gambell	direct	15	15.00	0	150
Teller	do	25	6.00	19.00	60
Shismaref	Wales	40	18.00	22.00	180
Wales	direct	30	11.00	19.00	110
Kotzebue	do	25	18.50	6.50	185
Point Hope	Kotzebue	55	33.50	21.50	335
Shaktoolik	Kayuk	40	17.20	22.80	172
Koyuk	direct	40	13.00	27.00	130
Kivalina	Kotzebue	50	26.50	23.50	265
Noatak	do	80	23.00	57.00	230
Kiana	do	40	24.50	15.50	245
Selawik	do	57	26.00	31.00	260
Noorvik	do	42	23.00	19.00	230
Buckland	do	25	25.30	+.30	253
Deering	do	25	24.50	.50	245
White Mountain	Council	25	9.00	16.00	90
Galovin	White Mountain Council	25	11.00	14.00	110
Kaltag	Nulato-Koyukuk-Galena	95	35.00	60.00	350
Nulato	Koyukuk-Golena	57	31.00	26.00	310
Koyukuk	Galena	90	29.00	61.00	290
Huslia	do	92	35.00	57.00	350
Anvik	McGrath-Unalakleet	128	44.50	73.50	445
Unalakleet	direct	30	13.50	16.60	134
St. Michael	Unalakleet	55	18.60	36.40	186
Stebbins	do	55	18.40	36.60	184
Holy Cross	McGrath-Unalakleet	123	44.60	78.40	446
Bethel	direct	85	28.00	57.00	280
Fortuna Ledge	McGrath-Unalakleet	110	51.90	58.10	519
Mekoryuk	Bethel	120	42.80	77.20	428
Hooper Bay	do	120	43.70	76.30	437
St. Marys	do	80			
Emanok	do	130			
Kotlik	Unalakleet	65	19.90	45.10	199

From (town)—	Fairbanks via—	Round-trip fare	Maximum allowance payable	Difference	Round-trip mileage
Kotzebue	Direct	$50.00	$44.50	$5.50	445
Dillingham	King Salmon-Anchorage	50.00	35.30	14.70	353
	A R R-Anchorage-Fairbanks	21.35	21.35	0	
Pedro Bay	Illiamna-Anchorage	30.00	24.00	6.00	240
	A R R-Anchorage-Fairbanks	21.35	21.35	0	
Gambell	Nome	90.00	72.00	18.00	720
Nome	Direct	50.00	50.00	0	520
Kodiak	Anchorage	35.00	24.50	10.50	245
	A R R-Anchorage-Fairbanks	21.35	21.35	0	
Juneau	Direct	58.00	58.00	0	652
Hoonah	Juneau	69.00	69.00	0	692
Sitka	do	76.00	74.50	1.50	745

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
February 23, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: Attached is copy of a letter which reached me last Friday from the Manpower Advisory Committee in Anchorage, Alaska. The letter dicusses the very difficult situation trainees under the Manpower Training Act of 1962 encounter when they seek to avail themselves of the training offered. Earlier I submitted to you a schedule of the cost of transportation of a trainee to his place of training. In all but one or two cases the information showed that the trainee was required to pay a good deal more than his travel allowance to get from his home to the place of training.

The Manpower Advisory Committee also brings up the difficulty of the subsistence allowance. The Federal Government for years has recognized the fact that the cost of food and lodging is higher in Alaska than elsewhere and has permitted Federal employees an additional amount of money for per diem to cover costs. If memory serves, the present level of per diem for Alaska is approximately $21 a day as against $16 or so in the other 49 States. The subsistence allowance permitted under the Manpower Development and Training Act is $5 a day. I am sure you recognize that $5 a day is really inadequate to cover the bare cost of room and board.

I know Senator Gruening joins me in expressing hope that your subcommittee will take into consideration the financial difficulties encountered by Alaska trainees.

It should be noted that the majority of those encountering the problem are native Alaskans who have no reserves of savings from which to draw.

Sincerely yours,

E. L. BARTLETT.

MANPOWER ADVISORY COMMITTEE,
Anchorage, Alaska, February 9, 1965.

Hon. E. L. BARTLETT,
U.S. Senate, Washington, D.C.

DEAR SIR: In the course of our deliberation in planning and scheduling various courses under the Manpower Development and Training Act of 1962, it has come to the attention of this committee that Alaskan applicants and participants suffer a distinct disadvantage under certain provisions of the act which set a uniform rate of transportation and subsistence allowances for the whole United States. As you know, the act provides only 10 cents per mile on transportation and $5 per day for subsistence. Since this program can be and is especially and uniquely beneficial for natives and other residents of the rural areas of Alaska where there is so much unemployment, this committee has urged their participation in the manpower program to the fullest extent possible. Unfortunately, 10 cents per mile when viewed in connection with air travel costs and mileage is completely unrealistic. For example, the man from Togiak who entered the truck-tractor training course traveled 440 miles by air at a cost of $67.50. The Manpower Development and Training Act will reimburse him $44. Since his annual income was less than $2,000 last year and in addition he had lost his job and home as a result of a tidal wave at Togiak that wiped out the cannery on which he had been the watchman, he felt is worth the gamble to borrow that extra $23.50 and come in for the training in the hope that he can work on a construction job this summer in the Dillingham area after learning to operate a "Uke" or large dump truck. Each day that he is in training he will receive $5 per day to pay for his room and board. Since even the cheapest room will cost $2.50 to $3 per night, it is apparent that $5 is a very meager sum. Since he is a married man with children he will also receive $44 per week as a training allowance, of which he will probably send the greatest amount home. If he had been single, the $5 would have been his entire allotment, and patently inadequate.

At our request the State employment office has consistently tried to work out cooperative arrangements with other agencies such as the Bureau of Indian Affairs, Office of Vocational Rehabilitation, and Alaska Department of Wel-

fare. While this has resulted in supportive assistance for a limited number of trainees, these agencies too have their restrictions and the total number who have been able to take advantage of the opportunities offered under Manpower Development and Training Act has been very limited.

Cognizant that the present authorization will expire June 30, 1965, and that certainly this is one of the programs that the President will be pushing as part of his attack upon poverty, it is the hope of this committee that you, as one of our congressional representatives in Washington, D.C., will attempt to get some special consideration of Alaska's particular problems with reference both to travel allowances and subsistence allowances. It is the unanimous opinion of the committee that these particular problems must be resolved in one way or another for the program to do the job here in Alaska that needs to be done.

It would be our suggestion that if no direct action within the law by amendment or special appropriation can be achieved, that you then work to provide funds or work out special supportive assistance from the Bureau of Indian Affairs, Department of Health and Welfare, or the Office of Vocational Rehabilitation. From the extent of the progress made this winter in working out arrangements on the local level, we believe that all three of these agencies are appreciative of the opportunities available to their clients through manpower training.

Any aid or cooperation or suggestions that you have which would solve the particular problems faced here in Alaska as the result of distance and particular cost would be greatly appreciated by this committee. We sincerely believe that the manpower training programs afford an opportunity to break out of the pattern of unemployment and should be extended to as many of the citizens of our State as possible. For any additional information, aid, or assistance in solving this problem that we can give you, please call on us.

Very truly yours,

VIRGIL N. DUPUIS,
Chairman, Local Advisory Committee.

U.S. SENATE,
Washington, D.C.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Manpower Development and Training Act of 1962 has been of great help to the Division of Employment Security of the Department of Labor in the State of Alaska in developing special skills, but the maximum amount for transportation and subsistence specified in the act have caused unitended hardships on trainees in the State.

Staff members of the division of employment security, the Manpower Advisory Committee, and others have requested that title II, section 203(b) of the act be amended to give the Secretary of Labor discretionary authority to provide for such reasonable increase in the transportation and subsistence expenses as he deems necessary to carry out the purposes of the Manpower Development and Training Act.

I hope the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare can develop language which will correct this type of situation, wherever it exists in noncontiguous States and areas outside the continental United States where the per diem has proven to be inadequate.

My colleague, Senator Bob Bartlett, has forwarded to you, on behalf of the delegation, letters illustrating how the present per diem will not cover costs of air travel and lodging.

I asked the Division of Employment Security of the State of Alaska to provide information as to the cost of the amendment we propose. The division responded by telegram and advised me that the projected extra amount of trainee transportation allowances required for Alaska in fiscal year 1966 would be $15,935 for 250 trainees traveling to central training facilities in Nome and in Anchorage from remote villages. The projected supplemental subsistence allowance payments necessary to assure minimum living standards for these out-of-town trainees would be $43,750. The total amount of both is $59,685. This amount would enable the program to provide funds for transportation and subsistence for 250

trainees for an average of 20 weeks training. A copy of the wire from the State to which I refer is attached.

In the past, part of the added cost has been met by working out cooperative arrangements with other agencies. However, this assistance has been limited and has restricted the number of trainees. Moreover, the continued modest help from these agencies for the fiscal year 1966 appears doubtful.

The Manpower Development and Training Act is one program which, by demonstration, has helped our economy develop. I urge that it be given the tools to make this assistance as beneficial as is possible.

With best wishes, I am,

Cordially yours,

ERNEST GRUENING, *U.S. Senator.*

JUNEAU, ALASKA, *February 27, 1965.*

Senator ERNEST GRUENING,
U.S. Senate,
Washington, D.C.:

Projected extra amount of trainee transportation allowances Manpower Development and Training Act funds required for Alaska in fiscal year 1966 is $15,935. This is based on probability of 250 trainees traveling to central training facilities in Nome and in Anchorage from remote villages where current Manpower Development and Training Act travel allowance ceiling is inadequate. Supplemental subsistance allowance payments necessary to assure minimum living standards FMR trainees from out of town is $43,750. This would enable Manpower Development and Training Act program to provide adequate subsistence for 250 trainees who would be coming mainly to Anchorage and Nome for outlying villages for an average of 20 weeks training.

ROBERT LEVY,
Employment Security Division.

MISHAWAKA HIGH SCHOOL,
Mishawaka, Ind., February 15, 1965.

Subject: Manpower Development and Training Act (amendments: H.R. 4257; S. 974).

Senator VANCE HARTKE,
Senate Office Building,
Washington, D.C.

DEAR SIR: Recommendations: The Manpower Act be amended so there will be no matching with the State funds.

Extending the act with 100 percent of reimbursement of Federal funds for at least the next 2 years.

Sincerely,

R. W. WARRING,
Head of Vocational Department, Mishawaka City Schools.

SUPPLEMENTARY STATEMENT BY DR. BYRL R. SHOEMAKER, PRESIDENT OF THE AMERICAN VOCATIONAL ASSOCIATION

Congress authorized on-the-job training under the Manpower Development and Training Act of 1962. Section 204(c) reads as follows: "Where on-the-job training programs under this part require supplementary classroom instruction, appropriate arrangements for such instruction shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor."

To the best of my knowledge, OJT under the Manpower Development and Training Act is not being coordinated to any great extent with vocational education and the Secretary of Labor is handling matters involving classroom instruction. The vast majority of OJT projects do not provide for supplementary classroom instruction; however, through a play on words, OJT contractors are providing the classroom instruction. This is accomplished by using the term "related instruction." This term is not in the law. This broad, if not deceptive definition of OJT, allows contractors to provide classroom instruction normally given in trade extension classes by the public schools.

Two large OJT contracts were awarded to the Operating Engineers Union, San Francisco, Calif., to provide upgrading training on heavy equipment. The first year each trainee spent 1 hour per day on the equipment and the rest of the time on classroom instruction. This instruction was provided by the unions and not by vocational educators. The trainees were in a residential status and drew weekly allowances, subsistence payments, and transportation costs.

At the same time, cooks and stewards classes were authorized to feed the heavy equipment trainees. This was done even though the union has a school for the training of such cooks at Santa Rosa, Calif. Another method for using OJT as a vehicle for classroom instruction other than by schools has been done with the Community Programs, Inc., New Haven, Conn., where public education was provided to work crews under an OJT contract.

I would like to call attention to the fact that there are no teacher qualifications required in on-the-job training programs even though classroom instruction is provided.

STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AFL–CIO

We appreciate this opportunity to present to the subcommittee our views on various provisions of S. 974, a bill to amend the Manpower Development and Training Act. Many of the sections of S. 974 represent relatively minor revisions. There are, however, several proposed changes that are quite important, and I think it would be fruitful if I were to concentrate on them in presenting the views of the AFL–CIO for consideration of the subcommittee.

Before commenting on the provisions of S. 974, I would like to place the Manpower Development and Training Act in the proper perspective, at least insofar as we in the AFL–CIO see it.

The AFL–CIO does not regard manpower training as the answer to this country's unemployment problems. It will be very helpful, however, as it has been, and it has our wholehearted support. But we believe that it is vital to point out that increased efforts in education, in training, and in retraining will provide us only with a better educated, better trained body of unemployed, unless the economy grows rapidly enough to provide the necessary job opportunities—jobs for workers displaced by automation and technological change, jobs for the huge numbers of youngsters that are now pouring out of our schools, and jobs for the millions presently unemployed.

The unemployment problem today is not a phenomenon traceable only to problems of youths, older workers, minorities, or the unskilled. Admittedly, these groups are more vulnerable and represent special problems that require special attention. It is important, however, to point out that this Nation has had 5 percent or more of its work force unemployed in practically every single month since November 1957.

Included in these monthly figures have been—and are—not only the "special" problems, but also large numbers of skilled workers, semiskilled workers, and professionals. We need only look at the data on the unemployment rates for workers in these latter categories to see that they, too, have been experiencing joblessness at a rate nearly double that of 1953. So long as this condition prevails, it will be exceedingly difficult to make significant inroads into the unemployment situation of those who are even more vulnerable to joblessness.

Over the last few months, there has of course been some improvement in the unemployment rate, but it has obviously not been nearly enough in relation to the size of the problem. Moreover, we are quite concerned about the expectation that the unemployment rate will begin to creep upward again before this year is out.

Thus, not only do we have some very difficult special problems, we also have a general problem of unemployment and we should not expect it to go away solely because we are engaged in manpower retraining.

As I stated before, we need these training programs. This activity, however, cannot solve our unemployment problems, for it cannot substitute for inadequate economic growth, or for the failure to pursue those economic policies which are essential if we are to achieve the necessary expansion in the number of job opportunities.

HEARINGS ON THE MANPOWER REPORTS

The Manpower Development and Training Act is a vital tool of intelligent manpower policy, useful now in a period of high unemployment, but potentially even more useful in better times. It is for this reason that we are pleased to see that the proposed amendments will eliminate the need for periodic extension of the life of this act, and we would certainly endorse such a proposal.

There will, of course, be continuous congressional review through the appropriations process. We would like, however, to suggest the possibility of another type of review—a review of the annual Manpower Report of the President and of the reports of the Secretaries of Labor and Health, Education, and Welfare, all of which are required by the Manpower Development and Training Act. It would seem to us desirable to have open hearings each year following the submission on these reports to the Congress. In this way, these documents would receive the attention they warrant, and the Congress would have a systematic method by which to review and evaluate the activities of the Manpower Development and Training Act and related manpower programs.

MATCHING OF FUNDS

While we are pleased to see the Manpower Development and Training Act placed on a permanent footing, we are not at all pleased with the proposal to accompany such action with the adoption of a 90–10 matching formula.

As presently written, the Manpower Development and Training Act would require the States to provide one-third of the funds for any Manpower Development and Training Act programs in fiscal 1966, and one-half of the funds thereafter. Only a handful of States have indicated a readiness to accept this arrangement, despite the fact that the Manpower Development and Training Act is generally well received and widely endorsed. We have no doubt that the failure to act is, in no small measure, due to inadequate financial resources in the States, together with heavy demands for funds to support other well-established programs.

Regardless of the reason, it is obvious that Manpower Development and Training Act training is on the brink of serious difficulties. If the present State matching requirement remains, programs will be sharply curtailed. Whatever the decision of Congress, quick action on this question of State matching is in order so that the State legislatures, presently in session, will be given the necessary guidance and the necessary time to deal with this problem.

This problem of State matching is recognized in the legislation now before this subcommittee. It proposes to amend the matching requirement to provide a 90–10 formula. While this arrangement will obviously be more attractive to the States than that which the law presently calls for, the AFL–CIO is not in accord with this proposal. Moreover, we are concerned about the effect of such a provision on Manpower Development and Training Act programs within cities in those States which do not adopt matching legislation.

We believe that in our economy—which is a national economy, and not 50 different economies hemmed in by 50 different State boundaries—a national, fully federally financed, program is called for.

Consider, if you will, the mobility of our population and of our work force and, indeed, some of the language of the Manpower Development and Training Act itself. The Manpower Development and Training Act, in section 102, is concerned about practices "which tend to impede the mobility of workers" and, in section 202(e), indicates an interest in training workers for jobs outside their area of residence if they are prepared to move after the training.

We believe there is an unfairness inherent in any matching requirement for a program such as the Manpower Development and Training Act. The mobility of our population and our work force flows from the fact that we have a national economy. Whatever the reason that determines our geographic shifts in industry—be it changing technology or simply personal idiosyncrasies on the part of corporate decisionmakers as to plant location—right or wrong, we presently exercise no control over this facet of our economic life. People are compelled to chase the jobs, or what they hope will be jobs. Some who move are adequately prepared; others are not. And often it is those who are not who become burdens on their adopted areas. Therefore, it seems only logical and fair to establish all of our manpower programs, including the Manpower Development and Training

Act, with 100 percent Federal financing, so that the cost of the programs does not fall unfairly on the growing areas.

JOB DEVELOPMENT AND TRAINING IN SERVICES

Section 2(b) of S. 974 is an indication of the intention—already expressed by the Secretary of Labor—to expand training activities in service industries and occupations. There are a number of problems that are apt to flow from this new section—especially the new paragraph (7)—that warrant the attention of the subcommittee.

In the first place, although it talks of on-the-job training, paragraph (7) omits any reference to upgrading workers who are employed in low-skill and low-wage jobs.

To us, on-the-job training is the single best tool for upgrading incumbent workers who may, because of lack of opportunity for training, be encased in the lower wage jobs in the employer's establishment. In our view, it is grossly unfair to ignore these workers while, at the same time, giving only to those who are unemployed the opportunities to train for the better jobs. We believe that an employer who refuses to upgrade regular employees, when the need and opportunity exist, should not be given Manpower Development and Training Act assistance to do so for workers not on his payroll. We think this order of priority ought to be spelled out also in section 204.

Because of our strong desire to enhance training opportunities through on-the-job programs, we naturally endorse section 5(a)(4) which will permit such trainees to engage in outside work for up to 20 hours without any reduction in their training allowances.

A second problem that we see in connection with this new paragraph (7) has to do with the inadequacy of existing Manpower Development and Training Act standards and procedures. This is naturally always a matter of concern to us, but it becomes even more important with the proposed expansion of activity in an area—the service industries—where many of the jobs pay very low wages.

The Manpower Development and Training Act should not be used to train workers for jobs which pay substandard wages. The jobs for which workers are trained under the Manpower Development and Training Act ought not to pay less than the prevailing wage for the occupation, and every proposed project should meet that test.

Beyond this, however, there ought to be some sort of a floor. Simply because the prevailing practice is the payment of substandard wages is no reason why the Federal Government should subsidize and reinforce the practice with Manpower Development and Training Act assistance. If Federal funds are used to help provide a supply of labor for such employers, they will be under no pressure to elevate their standards and to pay the workers a decent wage. And for a nation which is just now embarking on a campaign to eliminate poverty, it would make no sense to subsidize substandard wages when about one-half of our people in poverty—as measured by the $3,000 family income standard—are in that group merely because the wages they earn are too low.

We would, therefore, urge this subcommittee to raise the sights of the Department of Labor by writing into the law a requirement that, at the very least, workers will not be trained for any jobs which pay less than the minimum wage stipulated in the Fair Labor Standards Act, whether or not the job is in a covered occupation or industry. And although our discussion of this matter is an outgrowth of the announced intention to expand training in the services where such vast numbers of workers are forced to work at substandard wages, it would be our recommendation to have the Fair Labor Standards Act standard apply to all proposed Manpower Development and Training Act programs.

One way to help assure adherence to decent standards is through the effective use of labor-management-public advisory committees. We are not satisfied that this is now being done and the legislation ought to be written in a way to make sure that it is done.

The proper use of advisory committees would strengthen the operation of the Manpower Development and Training Act and improve its effectiveness. If the legislation were clearly written so that all projects would be scrutinized and periodically reviewed by properly constituted labor-management-public advisory committees, the administrators of the program would, in our judgment, be compelled to pay more attention to such matters as the wages and working condi-

tions of the jobs for which they are training workers. Too often, one now gets the impression that the administrators are content to put a "body" into any hole they can find, with little or no concern over standards of wages and working conditions.

We do, of course, have a system of local and State advisory committees, but they do not function with uniform effectiveness. More often than not, this is due to the failure of the administrators to involve the committees in the work of the program. A requirement that all projects must be reviewed in advance by a labor-management-public advisory committee would help to keep the program on the right track, and would surely increase support for our training and retraining efforts at all levels of our society. And, needless to say, it will give the administrators of the program the benefit of expert advice that might not otherwise be forthcoming.

If, for any reason, there is no local committee in operation, then the project ought to be reviewed by a State advisory committee; and where the latter doesn't exist, the National Manpower Advisory Committee should review the proposal. Furthermore, the National Committee should review in advance any Manpower Development and Training Act projects where it is proposed to develop them on a rationwide basis.

In connection with this discussion of the importance of advisory committees, it would be well to recall the most successful training experience of this type which the country had. During World War II, under the War Manpower Commission, but with the aid of a network of State and local committees, we embarked on a massive training program. It functioned well and effectively. Hundreds of thousands of people were trained. Citizens and groups from all facets of American life participated and helped to move the programs along. This is the type of operation we ought to seek in carrying out programs under the Manpower Development and Training Act. The Manpower Development and Training Act is a considerably less ambitious program than the one we followed during World War II and, because of this, should present us with fewer problems if we simply borrow from the earlier experience.

Under the War Manpower Commission, every training program was reviewed by advisory committees. There is absolutely no reason why this should not be done now under the Manpower Development and Training Act.

We believe that such an approach is essential. If we adopt it, we can improve the program and increase the participation of knowledgeable citizens. And it is only in this way that we can assure that Manpower Development and Training Act projects will be truly worthwhile, and not become bones of contention over whether or not Manpower Development and Training Act training is being used to provide a source of cheap labor and a vehicle to undercut existing standards.

TRAINING ALLOWANCES

Although we are in complete accord with the proposal to increase training allowances by providing an additional $5 per week for each dependent after the second up to a maximum of four additional dependents, and with the proposal to make a minor change in the method of computing the training allowances, we are inclined to question the proposal—as it is now written—to extend the duration of time over which training allowances may be paid (secs. 4 and 5(a)(1) of S. 974).

It is proposed to move from 20 weeks for basic education plus 52 weeks of actual training, now in the law, up to a flat 104 weeks. We think additional guidance to the administrators of the program would be desirable, or else we may find ourselves in difficulty. We may, on the one hand, find program administrators who are overly enthusiastic about the possibility of increased basic education who, without regard to the realities of the job situation, subject the trainees to a disproportionate amount of basic education. On the other hand, and also without regard to the realities of the job situation, we may have the reverse. Given the opportunity for 2 years of occupational training, it is conceivable that program administrators may disturb the orderly operation of apprenticeship programs, fragment the skills of a recognized craft, and help to destroy standards of wages and working conditions that were built up only through long years of hard effort.

We would, therefore, recommend that the 104 weeks be split into two pieces, and to provide for up to 52 weeks of basic education plus up to 52 weeks of occupational training. The two types of activity may be given in sequence or in

combination, according to the needs of the individual and the program in which he is enrolled. But he would still be entitled to 104 weeks or its equivalent. And by "basic education" we mean not mere literacy training, but whatever education-type courses are required as part of the occupational training the worker is undergoing.

ELIGIBILITY FOR ALLOWANCES

Section 5(c)(2) calls for a change in the eligibility requirements for those who are to receive training allowances and is obviously intended to help single persons. In our opinion, it is still rather restrictive and would, for example, deny allowances to an unmarried adult of, say, 25 or 30 years of age, simply because he lives at home and his father is employed. It is not difficult to point out the inconsistency involved in seeking to enhance the self-reliance and the independence of youth, through the Manpower Development and Training Act youth allowances, and to deny any assistance to the more mature workers. We believe, therefore, that this amendment ought to be rewritten to take care of this problem that we have mentioned.

We are, however, in accord with the proposal of section 5(c)(3) to continue the present 25-percent limitation on the number of youths who may receive Manpower Development and Training Act allowances. We feel that an adequate portion of the Manpower Development and Training Act program is being directed toward younger people and, in addition, we would point out that there are other programs also available to provide assistance to our younger citizens.

CONCLUSION

Most of the remaining amendments represent rather minor changes. The two remaining changes of any significance that are proposed by S. 974 are in connection with the demonstration projects and with Area Redevelopment Act training. The proposals for a small expansion in the labor mobility demonstration projects and to initiate trainee bonding demonstration projects have our support. Furthermore, the provisions regarding Area Redevelopment Act training appears, for the most part, to be a restatement of existing practices, and we see no reason not to support this change.

The amendments which we have not mentioned are, for the most part, either to clarify existing language or to make the remainder of the law fully consistent with those proposed amendments which we have already discussed above. We are in general accord with the remaining amendments except, of course, those which are related to proposals to which we have indicated either objection or a desire for modification.

In conclusion, we would like to state that it is gratifying to the AFL–CIO to see the subcommittee proceeding so early in this session of Congress to a consideration of amendments to the Manpower Development and Training Act. Because of our concern over manpower policies and programs, we have given enthusiastic support to the Manpower Development and Training Act, and it is encouraging to see that the subcommittee also attaches a very high priority to this type of activity. We trust this will lead to speedy action by the full Congress. As we said earlier in this statement, prompt action is essential in order to prevent this program from faltering.

ASSOCIATION OF SCIENTISTS &
PROFESSIONAL ENGINEERING PERSONNEL,
CAMDEN AREA CHAPTER,
Camden, N.J., February 22, 1965.

SENATE SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER,
New Senate Office Building, Washington, D.C.

HONORABLE SIRS: This organization, which represents approximately 1,400 research, design, and development engineers employed by the Radio Corp. of America in the Camden, N.J., area, is vitally concerned with the current considerations being given by the Congress to proposals for amending the Manpower Development and Training Act of 1962, as amended.

Our principal concern is that this act, and other applicable legislation, shall include provisions for meeting the present and growing problems of the waste of the valuable national resource of engineering and scientific skills and manpower through what has been called "technical obsolescence."

43-822—65——16

We have enclosed 25 copies of a statement of our opinions on this matter and we respectfully urge your favorable consideration of the suggestions made therein.

Your cooperation in permitting us to submit this statement is truly appreciated and we are most anxious to cooperate with your committee and with the Department of Labor in any activity that will help to eliminate the problems we face.

Sincerely,

HENRY J. ANDREAS, *Executive Secretary.*

STATEMENT OF THE ASSOCIATION OF SCIENTISTS & PROFESSIONAL ENGINEERING PERSONNEL, CAMDEN, N.J.

The Association of Scientists & Professional Engineering Personnel has been the certified representative of the research, design, and development engineers and scientists employed by the Radio Corp. of America (RCA) in the Camden, N.J., area for 20 years.

Two and one-half years ago there were 2,560 engineers and scientists employed by RCA under our jurisdiction and today there are less than 1,380. This drastic reduction in manpower resulted from many causes, including the completion or cutback of Federal defense contracts, the dispersal of various manufacturing functions by the employer to other locations in the country and, in many instances, by the evolution of engineering technology.

In our experience over the recent period of manpower reductions among scientists and engineers, one of the most serious problems was the fact that many of them, with 20 or more years of experience, were classified by the employer as "surplus"—they were told that there was no longer a need for their particular specialized skills—that other and newer skills were required.

Section 101 of the Manpower and Development Training Act opens with the statement, "The Congress finds that there is a critical need for more and better trained personnel in many vital categories, including professional, scientific, technical, and apprentice-able programs."

Within the same paragraph a little further on it states, "The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments * * * ." It is to these two categories and primarily the latter that we will address our comments.

There has been a great amount of publicity given to technological advancements in the field of science but very few people have been informed of the effect that this progress has had on the engineers and scientists in industry.

The employee-professional is utilized in industry in a manner similar to that of any other classification of employee, and that is in the most efficient and profitable manner possible.

Efficiency and profit are at maximum when a scientist or engineer is working within his "specialty" or in narrow field in which he has thorough training and experience and has achieved a great depth of knowledge. He can produce a quality product in the shortest possible period of time. He is of great value to the company—as long as his skills are required.

Depth of knowledge in one specific field does not preclude general knowledge of the engineering field but, with few exceptions, it does indicate that his proficiency is not equal in all fields. It should be evident therefore that if years of continuous study and labor have been devoted to a specific field and it then becomes nonessential within a company or is superseded by another technology, his value is drastically reduced.

The trade journals and periodicals that have so loudly proclaimed an engineering shortage are now playing another tune—called engineering obsolescence. The "retreading" of engineers and scientists, as MIT refers to it, is now the popular topic for editorial comment. The obsolete engineer is no more employable in his profession than the man replaced by a machine.

Technical obsolescence is brought about in three basic ways: training, technological advancement, and misutilization. What was taught 14 or 15 years ago in college is now an introductory course for the modern student.

Transistors, which were almost unknown and certainly impractical 15 years ago, are already fast being replaced by integrated circuits.

Misutilization of engineering talents by industry through specialization or assignments to pseudo-engineering assignments on cost-plus-fixed-fee type contacts has accelerated the rate of decay of knowledge once possessed.

The DOD economy moves have served only to highlight what ASPEP and other similar engineering unions have recognized and strived to bring to light—that the talents of the scientist and engineers are a perishable commodity if not continuously nurtured and rebuilt. The engineer suddenly thrown on the open market without the latest in scientific training and experience is of little value to himself or to industry.

Our experience through a period 2 years of continuous layoffs has shown that the younger more highly trained, less experienced and lower paid engineer will find an engineering position quite rapidly. The older engineer accustomed to a higher income, with greater family and community ties and investments in a specific locality will often elect to leave engineering rather than relocate his home and family and start once more at the bottom of the engineering ladder.

In many of ASPEP's past negotiations with RCA, proposals were made concerning proper utilization of engineering talent, tuition refund plans and afterhours inplant training programs. To some small degree success was attained in all of these areas but when this updating or retraining effectiveness was tested through the past 2 years of layoffs, it proved to be totally inadequate.

Experience in one specialized area and afterhours study programs in a second specialized area did not qualify an engineer, in the company's judgment, to transfer to the second work area although trained through afterhours courses. The result was layoff for the man not possssing the specifically required experience—training alone was not deemed enough.

In our 1963 and 1964 negotiations, with our experience in the layoffs fresh in our minds and still actually present, the following proposals were made as possible solutions to the layoff retraining requirements:

1. That 5 hours of on-the-job training during a 40-hour workweek be allotted for those selected by the company as requiring retraining.
2. That direction be given by the company to the engineers indicating the requirements in numbers of engineers and skills to be required in the near future.
3. That the general increases be given under the term of the contract be accumulated for use in on-the-job retraining programs and be used prior to and during a layoff period to update those affected.

Not all of our efforts were directed through RCA, for in addition to these activities ASPEP has undertaken its own technical development program now in its fourth semester. The program is a series of courses prepared and taught by highly qualified scientists and engineers now employed by RCA and it presents courses in many of the newest scientific fields.

The desire of the engineers to remain as active, useful engineers is obvious as seen by the above proposals. To fall out of engineering usually means to fall into other occupations of a lower skill level with the subsequent displacement of another person.

Our association is appreciative of the attention given by this committee and Congress to the overall facets of the manpower problem.

We sincerely hope that as a result of your efforts ways will be found to overcome the specific problems which confront the engineers and scientists employed by large industrial concerns: an extremely short professional life and the terrible waste of valuable experience and demonstrated talent and skills which are vital to the safety, growth, and economy of our Nation.

Engineers and scientists have continued and will continue to seek advancement of their basic education through advanced degrees and special courses at colleges and universities. But basic education cannot keep them abreast of the dyamism of today's technological growth.

What is needed is practical state of the art type training and experience which is not available except through on-the-job training programs.

What is needed to be truly effective, is that the opportunity for technical advancement must become a part of the professional's regular working schedules. Engineers and scientists should be permitted or required to spend several hours of their regular workweek participating in inplant on-the-job type programs. Such programs will undoubtedly require inducements to employers in the form of tax credits, grants, or additional compensation within Federal contract awards.

We believe that investment of Federal funds for such purposes would be well justified if it could help to prevent the serious loss of manpower and skills we are faced with today.

We urge the committee and the Congress to conduct adequate research into the growing problem of the waste of engineering and scientific skills. We hope you will provide the means for encouraging on-the-job, working hour, technical

advancement programs, and you will assist organizations such as ours in their efforts to provide self-help, supplementary programs of a similar nature.

We are most anxious to cooperate with the appropriate Federal agencies toward these ends and will be happy to participate in any pilot programs which may be undertaken and which may involve scientists and engineers.

We respectfully urge the committee to consider favorably the following suggestions for inclusion in the amendments to be proposed for the Manpower Development and Training Act of 1962, as amended:

1. Remove all barriers of law or congressional intent which prevent or inhibit the use of the act on behalf of engineering and scientific employees. Even in the event that it should be determined that the funds provided under the act should not be used for the training or retraining of such employees (and we hope that such a determination will not be made), there should be provisions made for conducting programs of research and statistical studies in the area of such employee-professionals to determine the extent of the impact of so-called technical obsolescence upon the important national resource which their skills represent.

2. Make possible, at least on a pilot program basis, the establishment of inplant, on-the-job type training programs for employed scientists and engineers to combat technical obsolescence which results in the loss of manpower and skills which are vital to our Nation's future.

3. Encourage, through pilot program grants and otherwise, the kind of updating and technical development programs which are being operated by the Association of Scientists & Professional Engineering Personnel, as exemplified by the association's technical development program leaflets submitted herewith.

We sincerely hope that, as a result of the actions of Congress in the amendment of the Manpower Development and Training Act, and as a result of such research and study programs and pilot programs as are undertaken in the future, a way will be found to overcome the loss through technical obsolescence of engineering and scientific skills which are essential to our country's progress and safety.

PREPARED STATEMENT OF AMERICAN NURSES' ASSOCIATION, INC., NEW YORK, N.Y.

The American Nurses' Association is the professional membership organization of registered nurses. At this time we wish to bring to your attention and to the attention of your committee our interest and concern in the rapidly expanding training programs for health occupations under the Manpower Development and Training Act.

Legislation passed in the last 4 years to combat unemployment has resulted in efforts to alleviate shortages in service industries, including the health field. In the implementation of this legislation there has been a mushrooming of programs for the training of subprofessional workers for employment in nursing services. This rapid growth of training programs has produced problems of serious import for health care:

1. Workers are being prepared for employment in nursing facilities without adequate determination of need for them in each instance.

2. Training programs for auxiliary nursing personnel are increased without insuring an adequate supply of qualified nurse instructors and supervisors both during training and in the placement facility.

3. A number of practical nurse training programs financed by Manpower Development and Training Act funds have placed established standards of practical nurse education in jeopardy.

4. The initiation of new, and often untried, occupations, threatens further fragmentation of nursing service to patients. This can lead to deterioration of nursing care.

5. The length of the training programs for the various types of health workers is not always compatible to either the positions in the nursing service for which the worker is being prepared or to the appropriate budgetary level within the nursing service.

6. The rapid proliferation of training programs for practical nurses and nurses' aids is increasing the imbalance between professional nurses on the one hand and practical nurses and nursing aids on the other. When the staffing ratios show a heavy proportion of nonprofessional workers then quality nursing care cannot be insured.

Standards for the recruitment, selection, training, placement, and supervision of auxiliary workers in nursing services have been established by the nursing profession. We recommend that these standards be incorporated into the planning of any and all proposed programs for auxiliary nursing personnel in health services.

Representatives of the American Nurses' Association have been meeting with official representatives of the Federal agencies responsible for the implementation of the various programs for training for the health occupations. The focus of the discussions has been the implications of the programs for nursing services in various facilities, with the emphasis on quality health care. We are currently supplying these representatives with further guidelines for these programs, at their request. ANA emphasizes the importance of its involvement in the development of plans to train workers for employment in nursing services. The delineation of the scope of the auxiliary worker as part of nursing service has been recognized as the responsibility of the nursing profession.

We further wish to point out that unemployed persons being trained for the health occupations will be entering a field of employment that is itself economically depressed and has a high rate of turnover. Studies by the Bureau of Labor Statistics over the years raise serious questions about employment as a nonprofessional worker in a hospital as a self-supporting job placement. For example, according to BLS, in June and July of 1963, when the Federal minimum wage was $1.15 an hour, in none of the cities surveyed was the average as high as the Federal standard and in Memphis and Atlanta average hourly case wages were from 38 to 53 cents lower than the minimum.

We wish to assure you that the American Nurses' Association supports the purpose and intent of the act as a means of providing employment opportunities for those not now working. However, the nursing profession also realizes its responsibility in providing adequate nursing care for patients in this country. We would not wish the war on poverty to become a war on the Nation's health. We believe the attack on the unemployment situation must not be allowed to undermine the health care of the patients in this country. Therefore, we felt we should communicate to you some of our concerns.

STATEMENT OF DR. WILLIAM J. JACOBI, PRESIDENT, ECONOMIC DEVELOPMENT DIVISION, LITTON INDUSTRIES, BEVERLY HILLS, CALIF.

Mr. Chairman and members of the subcommittee, it is a distinct pleasure for me to appear before this subcommittee of the U.S. Senate.

Before beginning my remarks this morning, it would be appropriate for me to clarify my status as a witness before the subcommittee. I am not an expert on existing legislation in the field of manpower development and training nor am I an expert on legislative revisions embodied in the proposed Manpower Act of 1965. If I am in any way qualified to appear before you on the subject legislation, it is for three simple reasons:

1. The corporation that I represent has broad experience in the field of industrial training, including participation in training programs sponsored under both the Manpower Development and Training Act and the Area Redevelopment Act.

2. The division of this corporation that I direct is involved in a major program of personal development as a prime contractor to the U.S. Office of Economic Opportunity for the management of the Job Corps training center and the conduct of the training program for some 2,000 boys at Camp Parks, Calif.

3. I myself have an abiding interest in contributing to an understanding of the true meaning of manpower development and training and of the fundamental importance of this activity to the national economy. I believe earnestly and sincerely that a basic obligation of American society—government, business, labor, and the community—is to provide every citizen with the fullest possible opportunity to make a significant contribution to our national well-being.

Please let me introduce myself to you. I am a vice president of Litton Systems, Inc., and president of the Economic Development Division of Litton Industries in Beverly Hills, Calif. As you may know, Litton Industries is a major producer of navigation systems, computers, communications and data systems, business machine equipment, electronic instruments and control equipment,

cargo vessels and nuclear submarines, and a wide range of industrial and professional goods and services ranging from geophysical research and aerial surveying to medical electronics and microwave heating equipment. The corporation is currently doing business at a sales rate exceeding $800 million annually and employs some 48,000 people in more than 100 factories and laboratory facilities throughout the world.

A brief summary of Litton Industries' participation in the Manpower Development and Training Act and the Area Redevelopment Act training programs follows:

Litton Industries has trained several hundred individuals under the Manpower Development and Training Act to date. This number includes approximately 50 graduates of a precision microminiature instrument assembly course conducted by Litton in cooperation with the Los Angeles city school system and the California Department of Employment during 8 months in 1963. Our guidance and control division operation, Lubbock, Tex., has trained more than 60 electronic assemblers in a program which began last July in cooperation with the Lubbock public schools and the Texas Employment Commission, and which is still continuing.

The Manpower Development and Training Act programs are only a part of Litton's participation in joint community training ventures. Under the Area Redevelopment Act, Litton began an electronic assembly training program in Duluth, Minn., in 1962. This program was carried out in cooperation with the Duluth Vocational Training School, the State department of employment, security, and education; and the Area Redevelopment Act. Trainees were former shipyard and ironworkers, lumbermen, and unemployed women. Eleven hundred individuals were trained in this program.

In 1961, Litton participated in a large-scale training program in California's San Fernando Valley which proved to be a model for numerous similar programs in the Los Angeles area, throughout the State of California, and in other States after the Manpower Development and Training Act of 1962 was passed. This program was a joint community effort aimed at reducing unemployment in a depressed area, while at the same time providing specialized and concentrated training in skills of a demand occupation—that of electronic assembly.

This effort was known as the Reseda Adult School electronic production techniques program. It involved Litton's participation with the public school system and the California Department of Employment in conducting a 60-hour course for the basic skills required of an electronic assembler. During the 22 months that this program was conducted, 2,200 trainees began the course, approximately 1,700 completed the course, and between 1,400 and 1,500 graduates found employment in the electronic industries of the surrounding area.

The economic development division is a relatively new business venture of Litton Industries in the field of service to the community—Federal, State, and local. The division undertakes programs for business, industry, and government both in the United States and in other countries. Examples of typical programs which are being undertaken include the following: Manpower development and training, behavioral technology, education, medical technology and advanced health care systems, community development, urban planning, public works, communication systems, transportation systems and traffic control, environmental control, energy and natural resources utilization, oceanographic systems, arms control and disarmament, and natural disaster control. A fundamental precept of the operation of the division is to apply the "systems approach" as successfully utilized in dealing with large, complex problems of national defense and space exploration to larger, more complex problems of everyday living. We are particularly emphasizing the orientation of the systems approach to people rather than to hardware.

Some of you will wonder what the term "systems approach" means. The systems approach involves more than the application of multiplicity of professional disciplines—although this is of vital importance. It involves the identification of objectives, the setting of specific performance goals, the creation of organized approaches toward the objectives, the application of logic and analysis as formalized tools for developing methodologies for achieving these objectives, and the measurement of actual results achieved in relation to the specified goals. The systems approach is, in effect, a problem-solving capability of a highly sophisticated order.

We feel that the systems approach—however it may be defined—is a powerful tool for analyzing (and, eventually, for solving) problems of everyday living and particularly those problems involving human behavior and/or affecting people.

Now, how does this discussion in any way relate to the Manpower Act of 1965?

Consider for a moment the functioning of any business enterprise. The basic business functions are (1) to produce goods and/or services and (2) to market them in a financially viable manner. In any business enterprise, it is necessary either to employ people who are equipped to perform these two basic functions or to train people to become so equipped. In the final analysis, there is a third basic business function: (3) to continually train people to become equipped with vocational skills essential to the conduct of the business. When we describe the operation of Litton Industries and its economic development division in terms of business enterprise, we are really stating in a fundamental way how thousands of people—managers, professionals, technicians, and laborers; skilled, semi-skilled, and unskilled; men and women; thinkers and doers—apply the sum total of their individual efforts toward achieving the corporation's goals and objectives.

Now, consider the various elements of the activity the members of this subcommittee are considering: manpower development and training. The purpose of manpower development and training is to make people self-reliant, capable, mature individuals who have passed the threshold of what we might refer to as functional citizenship.

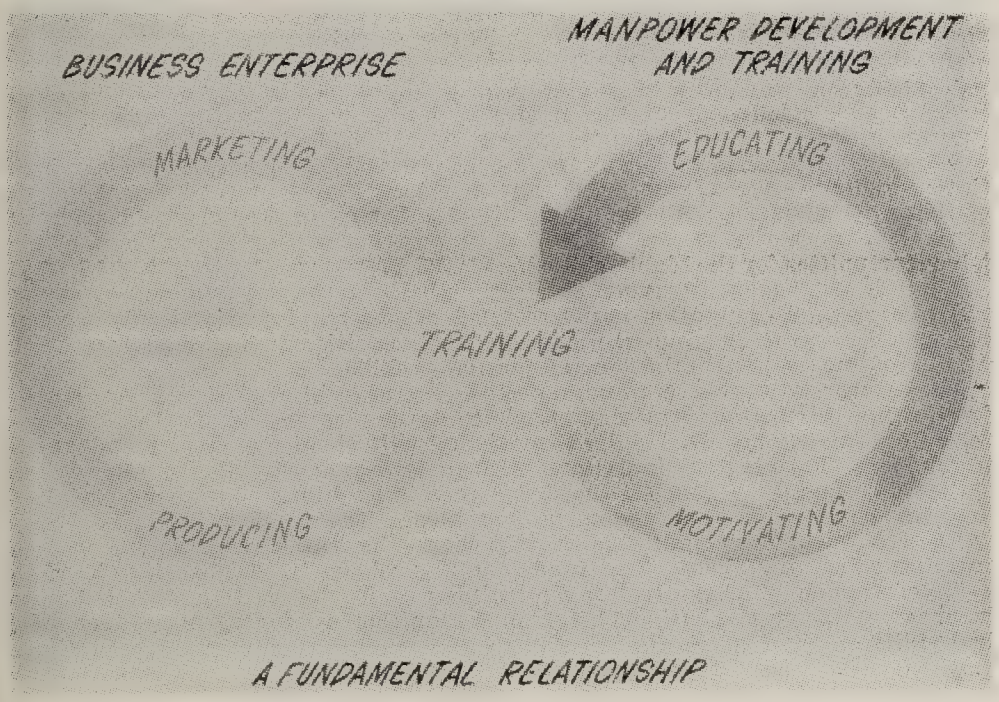
What is a functional citizen?

A functional citizen is a person who is capable of and motivated toward performing a useful role in society.

All of us recognize that there are three dimensions to manpower development and training: (1) motivation, (2) education, and (3) training.

Figure No. 1 is a graphical representation of the manpower development and training activity and the functioning of a business enterprise. The interesting fact illustrated here is that the two activities can be considered to be related in a very basic way—through training, an important element for success in both activities.

FIGURE 1



Now, if you will permit me, let me present some views that I hold concerning manpower development and training per se.

First, I believe that Americans must become better equipped to serve the Nation and themselves. This fundamental thesis has been stated time and again but we fail to grasp its basic import. As recently as November 1960, the Commission on National Goals appointed by former President Eisenhower stated in the opening paragraphs of their report:

Goals for Americans

> The paramount goal of the United States was set long ago. It is to guard the rights of the individual, to insure his development, and to enlarge his opportunity * * *
>
> Our enduring aim is to build a nation and help build a world in which every human being shall be free to develop his capacities to the fullest. We must rededicate ourselves to this principle and thereby strengthen its appeal to a world in political, social, economic, and technological revolution * * *

Millions and millions of underskilled Americans constitute the hard core of two other disadvantaged segments of the national economy, (1) those who are underemployed (either unemployed or employed at a level significantly below their actual capacities) and (2) those who are afflicted by poverty. Figure 2 is a schematic representation of these three broad classes of disadvantaged Americans, showing their relationship one to another.

The full circle represents the millions of adults in the Nation. The inner square represents the millions of underskilled adults, the square symbolizing that there are adults with underdeveloped skills among all ethnic groups and in all parts of the Nation. The horizontal band represents the millions of underemployed adults, the band symbolizing either the active influence or lingering effect on full employment of such factors as racial or religious discrimination, social and ethnic groupings into "accepted" types and categories of employment, etc. The vertical band represents the millions of poverty-afflicted adults, the band symbolizing the geographical influence on economic well-being of such factors as concentration of defense and aerospace industries in various areas of the Nation, relocation of basic industries in areas offering competitive advantages, and emergence of distressed areas and depressed regions. The square (of underskilled) adults itself reflects the shaping influence of these latter factors as well.

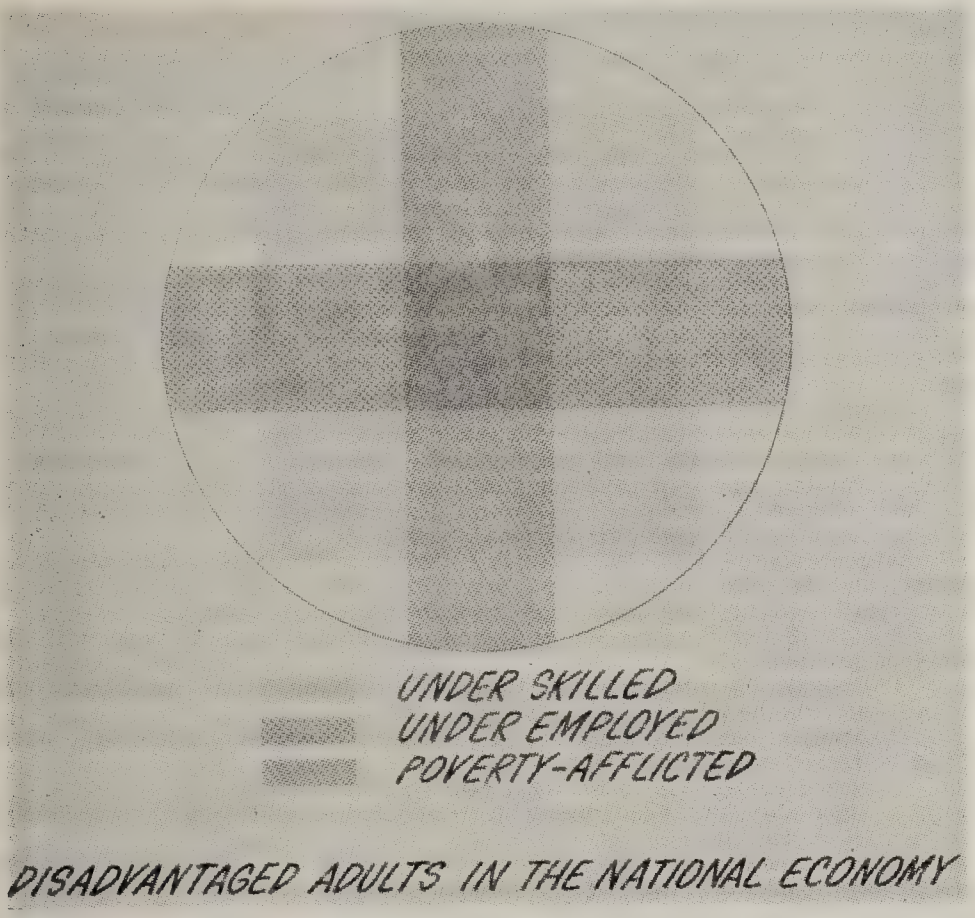
The relationships illustrated in the figure suggest why, even in 1965, it is possible for this Nation to experience widespread poverty and serious unemployment. They also illustrate why it is vital to the national interest that programs such as those already in being under existing Manpower Development and Training Act legislation be continued and why programs to be undertaken under provisions now proposed in the Manpower Act of 1965 be initiated.

Second, I believe that Americans must become better equipped to serve the Nation and themselves in an age of automation. One argument holds that automation will displace millions of unskilled laborers and semiskilled technical workers. Another argument holds that automation will create millions of new job opportunities for the highly skilled.

What is not generally recognized is that both of these arguments are essentially correct. The question is not so much whether automation leads to unemployment or creates job opportunities, but rather what can be done to match the surplus of low skills with the demand for higher skills.

The answer, of course, is to upgrade the general level of skills. There is little justification for massive training efforts to develop new specialized skills unless the level of newly acquired skills is consistent with the demands of an advancing technology. Training the individual with underdeveloped skills in a specialized skill today merely begets the need for retraining him in another specialized skill tomorrow—this is a fundamental problem. The accelerating technological pace of contemporary industrial developments increases the frequency of the training/retraining cycle. The fundamental problem is serious enough on the basis of frequency of the training/retraining cycle alone. It may well become insurmountable on the basis of heightened requirements for advanced technological skills.

FIGURE 2



Third, I believe that Americans must become better equipped to serve the Nation and themselves in an age of automation by enlisting the services of industry and labor (in full cooperation with Government agencies) as planners and doers of the national program of manpower development and training.

There is a recognized goal of upgrading the skill level of adult Americans significantly. National interests demand that we meet this need now.

In existence is an estabished system and a formalized process for imparting the required skills. And yet we continue to fall further and further behind in terms of (1) acquired skills measured against required skills, (2) numbers of prepared adults compared to total numbers of adults, and (3) realized opportunities for industrial manpower advances versus actual opportunities. We are faced with an apparent dilemma—we must accelerate the rate of acquiring new skills that continually become more difficult to assimilate.

Manpower development and training—system analysiswise—contains four basic subsystems: (1) the underdeveloped adult, (2) the instructor or educator or counselor, (3) the required attitude, knowledge, or skill, and (4) the means for transmitting the required capability to the underdeveloped adult.

Traditionally, the means for transmitting attitudes, knowledge, or skills has been through the efforts of the individual counselor, teacher, or instructor, and through the utilization of conventional textbooks. Today we are discovering that the primary means for transmitting attitudes, knowledge, or skills need not be another human being. Sometimes machines presenting programed instructional material (information organized in a prearranged manner so that it is logically structured according to the needs, abilities, and interests of the

student) can help people acquire attitudes, knowledge, and skills. Nearly always, qualified humans using various teaching aids, or conversely teaching machines and programed instructional material used in conjunction with outstanding counselors, teachers, or instructors, can teach people most effectively.

Any personal developmental process should be suited to the student's capacity for learning, to the instructors' ability to teach, and to the attitude, knowledge, or skill to be acquired.

And now we come to a complete expression of manpower development and training systemswise. Because we recognize the three dimensions of manpower development and training—motivation, education, and training—we tend to emphasize in the conventional approach those functions associated with acquiring the requisite types and levels of skills.

Generally, we tend to overlook what is really a fourth dimension of manpower development and training and what may indeed be the most important factor in the equating of man to job: determining those types of job opportunities that really will exist at this point in time when the individual has acquired a given skill.

We must begin to apply professional analysis and a high order of forward vision to the nature of the future job market and the developing trends in employment. Otherwise, we shall experience the frustration born of doing a good job in a training sense only to learn that the nature of the demand for the skill has itself changed and that the people we have intended to equip with new job skills are actually equipped with obsolete job skills.

Perhaps we should apply the systems approach to the entire manpower development and training problem—i.e., acquiring skills and acquiring them in actual relation to the developing demands of the national economy.

Perhaps, utilizing the systems approach, we should begin to cope with the combined problems of—

1. Growth in population, particularly involving young Americans who are entering the job market for the first time.
2. Applications of automation in everyday living, emphasizing the effect of increased unit productivity.
3. Rapid changes in technology, resulting in new demands for skills.
4. Unemployment, recognizing its basic nature and factors contributing to its lingering effects.

Perhaps we need to do some fundamental research into such important areas as the nature of work itself, basic human behavior, and the nature of adult learning processes. Perhaps we need to undertake innovative experiments designed to develop advanced methods of instruction and effective methods of measuring and demonstrating the effectiveness of these new methods. Certainly we need a good deal of creative thinking and innovative doing in bringing new meaning to the lives of millions of disadvantaged Americans. Certainly we need to develop new methods for bringing these Americans into the mainstream of American life as useful and productive citizens.

Because it is clear to me that fundamental advances can and must be made in directions such as these, I heartily endorse two amendments proposed in the Manpower Act of 1965. First, I believe that by removing the $3 million ceiling on title I of the act, desirable and necessary expansion should be made in the areas of manpower research. As the Secretary of Labor has already testified, "Advancing the frontiers of knowledge is as important in the area of manpower policy as in the physical sciences." Second, I believe that specific authority should be incorporated in title I of the act for a program of experimental, developmental, and demonstration projects to be financed through grants and contracts, the effect of placing such authorization in title I being to free the experimental program from matching and apportionment requirements by the various States.

Finally, I believe that through the sincere interest and selfless efforts of dedicated legislators such as you gentlemen of this subcommittee all of us, as citizens of the United States, will realize a fuller national expression of full opportunity for all.

Thank you.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C., February 12, 1965.

HON. JOSEPH S. CLARK,
Chairman, Select Subcommittee on Employment and Manpower, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Advisory Commission on Intergovernmental Relations, at its meeting of January 18, 1965, approved a report on "Relocation: Unequal Treatment of People and Businesses Displaced by Governments." In adopting the report, the Commission made a number of recommendations for Federal, State, and local action to achieve greater equity and uniformity in the treatment of those displaced by governmental programs, and to mitigate the hardships of relocation. One such recommendation concerns the Federal Manpower Development and Training Act, on which your subcommittee is considering amending legislation proposed by the administration (S. 974). The recommendation is as follows:

> The Commission recommends that the Congress amend the Manpower Development and Training Act to permit widow and widower owners of displaced firms to be eligible for manpower retraining allowances.

The Commission study found that small service and retail establishments suffer most among displaced businesses. Many of these are owner operated. One analysis of some 300 businesses displaced during the period 1954 through 1959 found that one-fifth of the 300 were in this category. Further, many are the "Mom and Pop" grocery stores or service businesses, run by a widow or widower. Since many widows and widowers have operated marginal businesses and do not have the resources or spirit to reestablish themselves, their only chance of sustaining themselves without resorting to public assistance is to find employment. Age may be against them, but even if it is not, they have the problem of not having a usable skill.

Under current provisions of the Federal Manpower Development and Training Act, heads of households are eligible to receive training allowances for up to 52 weeks while in training to acquire a new skill. Widows and widowers are usually not eligible, since they are rarely heads of households. Making them eligible under the Commission recommendation would be of substantial assistance in enabling such people who are displaced small business owners and operators to prepare themselves for a new occupation and thereby remain self-sustaining citizens.

The Commission is therefore pleased to note that (S. 974) section 5(c)(2), amending section 203(c) of the Manpower Development and Training Act of 1962, as amended, would remove the "head of household" requirement and thereby authorize all widows and widowers, otherwise qualified, to receive training allowances under the act. The Commission respectfully urges approval of this provision as it relates to widow and widower owners of displaced businesses.

Copies of the Commission's complete report will be sent up for your information and files as soon as it is received from the printer. In the meantime, we would be glad to supply any additional information about our study that is desired by your subcommittee.

Very sincerely,

FRANK BANE, *Chairman.*

[Reprint from School Life, October 1964, U.S. Department of Health, Education, and Welfare, Office of Education]

THE ECONOMICS OF TRAINING THE UNEMPLOYED

Leroy A. Cornelsen[1]

Another study has produced evidence that money spent on education is a sound investment.

The study has been made by the Office of Education, using a sample drawn from the entire population of persons who, within 2 years after the enactment of the Manpower Development and Training Act of 1962, received occupational training under the act. The sample included nearly 13,000 persons—more precisely, 12,696.

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[1] Mr. Cornelsen, who conducted the study he reports on here is specialist in vocational education, Programs Operation Section, Manpower Development and Training Program, Office of Education.

Before the act was passed, most of these persons had little hope of finding a good job with prospects for advancement. At the time they were referred to vocational schools for training, all were unemployed. One out of every three, or 4,190 trainees, was eligible to receive unemployment benefits. Assuming that the trainee was like the average claimant of unemployment compensation, who gets $34.72 a week for 13.1 weeks, we can estimate that the continued unemployment of these 4,190 persons alone would have cost the public nearly $2 million a year. In addition, 1,015 of the trainees, or 8 percent, were receiving public assistance: 670 were in families receiving an average of $150 per month under the federally supported program of aid to families with dependent children; 345 were in families receiving an average of $80 per month under other public programs of assistance. Public assistance on this scale to this many would, in a year's time, amount to more than $1.5 million; add to it the unemployment compensation, and the total reaches $3.5 million.

None of the 13,000 were able to put anything back into Government treasuries in the form of income taxes. Having little money to spend and few if any of the skills currently in demand, they could do little to help the private sector of the economy either, and were in the unhappy situation of being a drag on the Nation all around.

Under the Manpower Act these persons were trained for work in high demand in their States—as machine operators, clerks, typists, stenographers, auto mechanics, nurses aids, sewing machine operators, welders, practical nurses, and assembler-solderers.

The cost of training was considerable. The States estimates of the instructional costs alone—for such things as salaries for instructional, supervisory, and custodial staffs; instructional supplies; and equipment—totaled $8 million, or $631 per trainee; but we have found that the early estimates, on the average, were 20 percent higher than the actual costs, and we are therefore closer to the facts when we estimate these costs to be $6.4 million.

In addition, training allowances were paid to the 66 percent who were eligible to receive them. (Those eligible are heads of households who have been unemployed previously for 3 years, a period now changed to 2 years; and farmers earning less than $1,200 a year. The amount varies from State to State; it is equal to the amount paid in the State for unemployment benefits.) Since the average amount received was $35 a week, and the average training period at the time of the study was 21 weeks (the average trainee entering the program now, because of his greater need for basic education, requires a longer training period and is getting 35 weeks), the training allowances for our 13,000 persons were estimated at $6.3 million.

Budget estimates of educational costs for a sample of persons receiving training under the Manpower Development and Training Act of 1962 during the first 2 years the act was in effect, and the average wages at that time in the occupations for which these persons were trained

Occupations [1]	Number of trainees in the sample	Estimated educational costs [2]			Wages [3]	
		Per hour per trainee	Total per trainee	Total, entire sample	Average hourly	Average annual
Machine operator	1,226	$1.08	$1,156	$1,417,256	$2.62	$5,450
Clerk, typist, stenographer [4]	3,500	.62	460	1,610,000	1.69	3,515
Auto mechanic	1,441	1.15	1,390	2,002,990	2.53	5,262
Nurse's aid	1,579	.63	113	178,427	1.30	2,704
Sewing machine operator	1,442	1.08	166	239,372	2.03	4,222
Welder-all	1,586	1.10	700	1,110,200	2.38	4,950
Practical nurse	1,304	.57	1,035	1,349,640	1.47	3,058
Assembler-solderer	618	1.02	163	100,734	2.07	4,306
Totals and averages	12,696	.91	631	8,008,619	2.01	4,180

[1] Occupations for which these persons were being trained were the 10 for which Manpower Development and Training Act programs had the largest enrollments.

[2] Estimated by the Department of Health, Education, and Welfare on the basis of early estimates submitted by the States.

[3] Averages, as reported by the Department of Labor in Occupational Outlook Handbook 1961.

[4] For the purposes of the study, these 3 occupations were combined in 1 category.

Transportation and subsistence allowances were also part of the cost. These were paid to the 7 percent of the trainees who lived too far from the place of training to commute. The maximum subsistence allowance is $35 a week at the rate of $5 a day, and the maximum transportation allowance is 10 cents a mile: the total cost for those in our study was estimated at $653,000. Counting all these items, the total training cost for the 13,000 was $13.3 million, or $1,045 for each trainee.

What returns did this investment yield? The full returns can never be measured, not even if we could follow each of the 13,000 to his last day on a job, but we can at least consider the immediate returns from the standpoint of the wages earned when they went to work.

Of those completing their training (2 out of 10 dropped out), 70 percent or 7,111 persons, found jobs immediately; most of the other 30 percent were placed later. Our measure of the monetary returns on the investment is based on the earnings of those who went to work immediately; our measure of the training costs is based on all 13,000 trainees.

At the time the 7,111 went to work the average hourly wage for the occupations in which they were trained was $2.01. In 24 weeks, then, they earned $13.7 million; in that brief time, through the taxes they paid and the goods and services they bought, they returned to the economy an amount somewhat higher than the $13.3 million it cost to train the entire group of 13,000.

The returns can be expressed in many other ways. For example:

> In Federal income tax alone—assuming $220 at the 1964 rate for an average annual income of $4,180 and a family of four—the trainee will repay the cost of his training in 5 years.
>
> In only 1 year of employment the average trainee can be expected to earn $4,180, or $3,135 more than it cost to train him.
>
> An investment of $13.3 million in training is expected to result in gross earnings of over $148 million in 5 years.
>
> Every dollar spent in training the group should return $2.24 a year in gross earnings.

Not only did these persons earn enough to make the public's investment worthwhile, but they were able to remove themselves from the relief rolls. What they would otherwise have cost in unemployment compensation and public assistance is another item we must include in our balance sheet as we attempt to put a dollar measure on the worth of vocational training.

Telegram Sent to All State Governors

February 11, 1965.

The Senate Subcommittee on Employment and Manpower is considering bill S. 974, amendments to the Manpower Development and Training Act of 1962. We would appreciate your answers and comments and those of the director of your State employment service by return telegram at your earliest convenience with respect to the following: Do you favor the amendments proposed in S. 974? Do you favor the continuation of the Manpower Development and Training Act programs? Do you favor the proposed 90-to-10 matching fund formula?

Joseph S. Clark,
Chairman, Subcommittee on Employment and Manpower.

Juneau, Alaska, *February 16, 1965.*

Senator Joseph S. Clark,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Reference your telegram of February 11, the State of Alaska wholeheartedly favors the continuation of the Manpower Development and Training Act programs and supports with one exception the amendments proposed in Senate bill 974. The exception is the amendment which deals with transportation allowances. Act currently sets ceiling of 10 cents per mile for trainees brought in from out of town to a Manpower Development and Training Act training facility. This ceiling inadequate in Alaska, particularly in case of trainees who reside in remote and isolated bush areas where infrequent or irregular

plane schedules are the usual and where transportation costs run more than the 10-cent ceiling.

We urge a more liberal construction of the transportation allowance feature to permit increased allowances so that Alaskans who live in high-cost transportation areas will not be denied training opportunities.

State of Alaska fully supports proposed 90–10 matching fund formula. Manpower Development and Training Act programs in Alaska have proven very successful to date and continuation of this act is most important.

WILLIAM A. EGAN, *Governor.*

PHOENIX, ARIZ., *February 23, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Concerning Senate bill 974: (1) I favor the proposed amendment to Senate bill 974; (2) I strongly endorse the continuation of the Manpower Development and Training Act programs; (3) I support and urge changing the funding of the present act to permit the 90–10 formula proposed in amendment.

The amendments proposed by Senate bill 974 are also endorsed by the three members of the Employment Security Commission of Arizona, and I am authorized to state that these amendments have the support and endorsement of Gov. Samuel P. Goddard, of Arizona.

CHARLES A. BOYLE,
Administrator, Arizona State Employment Service.

LITTLE ROCK, ARK., *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: Arkansas endorses Senate bill 974 and related legislation, favors the continuation of the Manpower Development and Training Act program, and supports the proposed 90–10 matching fund formula.

ORVAL E. FAUBUS, *Governor.*

SACRAMENTO, CALIF., *February 16, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

Regarding your wire of February 11, the answer to each of the three questions raised is affirmative. We do favor the proposed amendments to S. 974. We also favor continuation of the Manpower Development and Training Act programs. In addition, we favor the proposed matching fund formula, and already have made arrangements to include the State 10 percent in our 1965–66 budget.

EDMUND G. BROWN, *Governor.*

DOVER, DEL., *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

I favor the continuation of the Manpower Development and Training Act on the proposed 90–10 matching formula.

CHARLES L. TERRY, JR., *Governor of Delaware.*

WILMINGTON, DEL., *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

Re your telegram to Governor Terry of Delaware, we strongly favor the amendments to the Manpower Development and Training Act proposed in S. 974.

We favor continuance of the Manpower Development and Training Act programs as a major aspect of the development of equal economic opportunities for all. We particularly favor the proposed 90–10 matching fund formula with in-kind considerations.

JOSEPH A. BRADSHAW,
Chairman, Executive Director,
Delaware Employment Security Commission.

ATLANTA, GA., *February 17, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

In response to your telegram, I wish to state that I favor S. 972, the amendments to the Manpower Development and Training Act of 1962. Further, I favor a continuation of the Manpower Development and Training Act program. And also the proposed 90–10 matching funds formula, providing our legislature would appropriate the necessary funds. However, such an appropriation appears quite unlikely as of this date.

CARL E. SANDERS, *Governor of Georgia.*

HONOLULU, *February 18, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Proposed Manpower Development and Training Act amendments considerably broaden scope of act to include areas identified through experience thus far. Better coordination would also be provided with certain titles of economic opportunity act. Deeply concerned with problems of providing full employment for people of this State and am strongly in favor of measures to further develop strong active manpower policy. As programs directed toward full employment are long range ones, we support provisions for continuation of Manpower Development and Training Act. Consider 90–10 matching formula significant step toward preserving continuity of act. Facilitates obtaining local legislative approval and provides close tie-in with Economic Opportunity Act in utilization of Manpower Development and Training Act for basic education and occupational training. Revisions of limitations on youth allowances very significant for Hawaii as we have 43.1 percent population under age 20. In 1964 we had an estimated 3,000 unemployed in labor force between 16 and 24. Aloha.

JOHN A. BURNS, *Governor of Hawaii.*

BOISE, IDAHO, *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Re your wire amendments to Manpower Development and Training Act of 1962 urge continuance of program on selective basis with 100 percent financing. If this not possible 90–10 matching preferred over 50–50. Wish to reserve comments on amendments until implications are discussed with State manpower advisory committee.

ROBERT E. SMYLIE, *Governor of Idaho.*

SPRINGFIELD, ILL., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

Replying to request for my views and those of head of employment services concerning S. 974: we favor amendment proposed in S. 974, continuation of Manpower Development and Training Act program and proposed 90–10 formula.

Manpower Development and Training Act is a basic and essential tool in continuing effort to cope with persistent unemployment and poverty. Manpower Development and Training Act has given thousands of Illinois citizens, hundreds of them former welfare recipients, new hope, new skills, and new jobs. Manpower Development and Training Act should be strengthened and made permanent. Allowances should be increased in amount, duration, and coverage. Matching should be changed to 90–10 because most States cannot make financial burden of present matching requirements.

OTTO KERNER, *Governor of Illinois.*

DES MOINES, IOWA, *February 18, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

Re your wire of February 11 regarding bill S. 974, the answer is "Yes" to each question. We feel the manpower program is good and the proposed changes are beneficial.

HAROLD E. HUGHES, *Governor of Iowa.*

EXECUTIVE OFFICE,
STATE OF KANSAS,
Topeka, February 19, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: This is to reply to your telegram which I received on February 6 relative to the proposed amendments to the Manpower Development and Training Act of 1962.

It is evident that it would be an accommodation to Kansas if the development and training program were continued under the present schedule. The proposed 90–10 matching formula, of course, would place a considerably less financial burden than would the formula in the existing 1962 act that would become effective in 1966.

My initial conclusion was that Kansas could use the State funds required under the 50–50 matching basis to better advantage through vocational and technical training programs than to continue the Manpower Development and Training Act. I would want to reevaluate this conclusion under the 90–10 matching formula after we have had more experience on the productivity of the act now operating in our State.

Thank you for requesting my views on this matter.

Yours very truly,

WM. H. AVERY, *Governor.*

FRANKFORT, KY., *February 17, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Kentucky favors amendment proposed in S. 974. Also favors continuation of manpower development and training programs. Kentucky is for the proposed 90–10 matching fund formula provided the 10 can be in kind.

EDWARD T. BREATHITT, *Governor of Kentucky.*

BATON ROUGE, LA., *February 17, 1965.*

Hon. JOSEPH CLARK,
U.S. Senate, Washington, D.C.:

Re your telegram concerning Senate bill 974 I favor amendment to the Manpower Development and Training Act proposed by the bill. I favor and urge the continuance of the program and endorse the Federal-State matching 90–10 basis.

GOV. JOHN J. MCKEITHEN, *State of Louisiana.*

BATON ROUGE, LA., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Re telegram February 11, 1965, amendments to manpower development and training in Senate bill 974 answers to questions are as follows: Amendments proposed in S. 974 are favored; continuation of Manpower Development and Training Act programs favored; proposed 90–10 matching fund formula favored over existing formula.

F. C. DOYAL, Jr., *Administrator.*

AUGUSTA, MAINE, *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

I wish to register my approval of S. 974 and strongly urge the continuation of the Manpower Deveolpment and Training Act programs. I further heartily endorse the proposed amendment of the matching fund formula to a 90–10 participation.

JOHN H. REED, *Governor of Maine.*

AUGUSTA, MAINE, *February 15, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

Re your telegram February 11 to Gov. John H. Reed, I favor proposed amendments in S. 974, continuation of Manpower Development and Training Act programs, and proposed 90–10 matching fund formula.

ROY U. SINCLAIR,
Chairman, Maine Employment Security Commission.

ANNAPOLIS, MD., *February 12, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

I wire to advise you that I favor the continuation of the Manpower Development and Training Act programs and I favor the proposed 90–10 matching fund formula.

J. MILLARD TAWES, *Governor of Maryland.*

BOSTON, MASS., *February 23, 1965.*

Senator JOSEPH S. CLARK,
Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

I want to be recorded as favoring S. 974 amendments to the Manpower Development and Training Act of 1962, continuation of the program, and the proposed 90–10 matching fund formula. The State director of employment concurs.

JOHN A. VOLPE, *Governor of Massachusetts.*

LANSING, MICH., *February 12, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

I strongly favor the continuation of the Manpower Development and Training Act programs. I have requested the Michigan Legislature in my budget message to appropriate $5 million or approximately one-third of the anticipated State

expenditures during the next fiscal year in the Manpower Development and Training Act area. We in Michigan are therefore prepared to support the Manpower Development and Training Act program on any matching basis that may be required by the Federal Congress.

GEORGE ROMNEY.

ST. PAUL, MINN., *February 18, 1965.*

Hon. JOSEPH CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

The Minnesota Department of Employment Security strongly recommends that amendments proposed by S. 974 based on our experience in administering the Manpower Development and Training Act in Minnesota be adopted. We believe amendments proposed will permit larger numbers of needy people to participate in training. I emphatically favor the continuation of Manpower Development and Training Act as a sound, economic way to restore unemployed to employment. I strongly urge adoption of the proposed 90–10 matching fund formula as the most practical solution to financing problem, which would create the least confusion and delay in getting the unemployed trained and back to work.

GOV. KARL F. ROLVAAG, *State of Minnesota.*

ST. PAUL, MINN., *February 18, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

The Minnesota Department of Employment Security based on experience in administering the Manpower Development and Training Act, feels that the amendments proposed would permit larger numbers of needy people to participate in training. These amendments would permit more diversification and more realistic training in terms of present-day technical job requirements. Elimination of the terminal date for this legislation will permit more logical planning of programs particularly in recruitment of staff and in utilization of training facilities and services. Knowledge of the program and understanding of its purposes and uses is accelerating and general support for continuation and improvement is more evident each day. We are beginning to hit pay dirt. Manpower Development and Training Act dovetails with Economic Opportunity Act and is an integral part of the program to fight poverty in Minnesota. A large number of people are in various stages of processing for training programs. Curtailment or elimination of this program would be a serious blow to their hopes and expectations. The improvement and extension of the law at an early date would encourage many needy people to apply for and accept training assignments—people who are now reluctant to speculate on the future status of this program. I urge prompt and favorable action to improve and extend the Manpower Development and Training Act.

ROBERT J. BROWN,
Commissioner of Employment Security.

JEFFERSON CITY, MO., *February 15, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

We think the Manpower Development and Training Act programs should be continued but with full Federal financing. The proposed 90–10 matching formula is vast improvement over the formula in the present law. We are in agreement with all other amendments proposed in S. 974.

WARREN E. HEARNES, *Governor of Missouri.*

HELENA, MONT., *February 19, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Concerning your wire on bill S. 974 the Montana Legislature has under consideration continuing Manpower Development and Training Act legislation in Montana House bill 514 and encompasses the 90–10 matching funds.

TIM BABCOCK, *Governor of Montana.*

STATE OF NEBRASKA,
Lincoln, February 16, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: The State of Neraska is in favor of bill S. 974 (amendments to the Manpower Development and Training Act of 1962). Furthermore, Nebraska is definitely in favor of continuing programs under the Manpower Development and Training Act.

Nebraska is in favor of the proposed 90–10 percent matching formula only if 100-percent Federal financing is not possible. At this date, we are not optimistic about a 10-percent appropriation from the State legislature because of numerous other pressing bills concerning overall State needs in the fields of secondary education, vocational education, and higher education.

The 90–10 percent matching formula would pose definite threats to continuing any regional training projects since acceptance of trainees from other States would be contingent on each State's matching ability. We presently have two sizable projects in the State that are accepting trainees from other States. These projects are the agri-business project located in Lincoln, Nebr., and the Sidney project, which is located at the Sioux Ordnance Depot, Sidney, Nebr. On certain other occasions the State of Nebraska has accepted a limited number of trainees from nearby States into our regular Manpower Development and Training Act programs. This has been no problem since all States are financed 100 percent by Federal funds.

If the 90–10 percent formula is the only alternative, we urge 100-percent continued financing for all programs approved, or in existence prior to June 30, 1965. If the State of Nebraska must appropriate the 10-percent matching funds, it would be an amount considerably less, if the 10 percent was appropriated only to support new projects developed after June 30, 1965.

Your interest in securing the position of the State of Nebraska concerning the proposed 1965 amendments to the Manpower Development and Training Act is most appreciated.

Sincerely,

FRANK B. MORRISON, *Governor.*

LINCOLN, NEBR., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

Nebraska is in favor of the amendments proposed in bill S. 974—amendments to the Manpower Development and Training Act of 1962.

Nebraska is also in favor of continuation of the Manpower Development and Training Act programs.

Nebraska is in favor of the proposed 90–10 matching only if 100-percent Federal financing is not possible. It is doubtful that Nebraska can obtain the necessary matching because of other pressing overall State needs in the area of education. The 90–10 matching formula would place limitations on all regional training projects as well as interstate referrals. If the 90–10 formula is the only alternative, we urge 100-percent financing for all those programs approved before June 30, 1965, so that these programs may continue without matching funds.

LAMBERT EITEL, *Commissioner of Labor.*

CARSON CITY, NEV., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate Office Building, Washington, D.C.:

The executive director of the Nevada Employment Security Department and I are in complete agreement relative to the manpower development and training program. We strongly support the continuation of the act. The amendments proposed in S. 974 are satisfactory. The manpower development and training programs have materially assisted our unemployed. The proposed 90–10 matching fund formula is more realistic than the two-thirds-to-one-third formula in the present act.

Nevada's immigration is increasing; the majority of these jobseekers are in need of training. Full Federal financing would be preferred because the migratory pattern of today's jobseekers has placed an undue financial hardship on specific States.

GRANT SAWYER, *Governor of Nevada.*

CONCORD, N.H., *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building,
Washington, D.C.:

Re your telegram to Gov. John W. King, the Governor has asked me to reply in the affirmative to all three questions posed. The State of New Hampshire is particularly favorable to the proposed 90–10 matching fund formula.

BENJAMIN C. ADAMS,
Commissioner, New Hampshire Employment Security.

TRENTON, N.J., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.:

Thank you for your telegram re S. 974.

In answer to your question, I favor liberalization and continuation of the Manpower Development and Training Act programs. I would urge consideration of extending the 100-percent Federal funding, but favor a 90–10 formula over the present two-thirds-to-one-third formula.

RICHARD J. HUGHES, *Governor of New Jersey.*

SANTA FE, N. MEX., *February 15, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate,
Washington, D.C.:

Re your telegram February 12, 1965, pertaining to S. 974, after consultation with Director of New Mexico Employment Security Commission, following information provided:

I favor amendments proposed in S. 974.

I favor continuation of the Manpower Development and Training Act programs.

I favor the proposed 90–10 matching fund formula.

JACK M. CAMPBELL, *Governor of New Mexico.*

COLUMBUS, OHIO, *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

I concur with the recommendation of my director of the Ohio State Employment Service that I reply in the affirmative to the three questions in your telegram. I favor the amendments proposed to S. 974 continuation of the Manpower Development and Training Act and the proposed 90–10 matching formula with 10 percent being provided by the States.

JAMES A. RHODES, *Governor of Ohio.*

STATE OF OKLAHOMA,
OFFICE OF THE GOVERNOR,
Oklahoma City, February 15, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: Thank you for your telegram regarding bill S. 974, Amendments to Manpower Development and Training Act of 1962, we have made an initial check on proposed amendments and conferred with State employment service and advise as follows:

The proposed amendments and the provision for 90–10 matching either in money or in kind appear to be generally preferable to those contained in the law as currently written. We consider continuation of the manpower development and training program generally desirable in some form.

I have requested further evaluation by the employment security commission, and will advise you further at the earliest possible time.

Sincerely,

HENRY BELLMON, *Governor.*

SALEM, OREGON, *February 16, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building., Washington, D.C.:

Re your telegram February 11 we favor amendments proposed on S. 974. We favor the continuation of Manpower Development and Training Act programs if amended as proposed. We support the proposed 90–10 matching fund formula.

MARK O. HATFIELD, *Governor of Oregon.*

HARRISBURG, PA., *February 19, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

This is in reply to your telegram to Governor Scranton. We favor the amendments to the Manpower Development and Training Act of 1962 proposed in S. 974. We also favor the continuation of Manpower Development and Training Act programs and the proposed 90–10 matching fund formula. We are glad to note among other proposals the amendment to section 203–A of the act basing the weekly training allowance on the average State Unemployment Commission payment during four calendar quarters rather than only one quarter. This will avoid quarterly variations resulting from the incidence of seasonal worker claims and will produce a more reliable and constant measure of regular wage levels. However, we believe a further clarifying amendment to section 203–A of the act is desirable. I am writing you in complete detail on such an amendment.

JACK B. BROWN,
Executive Director, Bureau of Employment Security.

43–822—65——18

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF LABOR AND INDUSTRY,
BUREAU OF EMPLOYMENT SECURITY,
Harrisburg, Pa., February 23, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: This is with further reference to S. 974, concerning which we sent you a telegram on February 19, 1965.

In our telegram, we stated that a further clarifying amendment to section 203(a) of the act might be desirable. The enclosed copy of our letter to Mr. Robert C. Goodwin, administrator of the bureau of employment security, attaching a copy of our letter to trainees in Pennsylvania will explain the possible need for such an amendment.

Unless the Federal Bureau can provide assurances that section 203(a) of the act will be interpreted to base the weekly training allowance on the average weekly total payment of unemployment compensation in the State and not to include weeks in which various types of deductions have been made in computing the average, we believe that the following revision should be made in the language of section 203(a):

The words "average full weekly payment of unemployment compensation (including allowances for dependents) in the State making such payments" should be substituted for the words "average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments."

Sincerely yours,

JACK B. BROWN,
Executive Director.

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF LABOR AND INDUSTRY,
BUREAU OF EMPLOYMENT SECURITY,
Harrisburg, Pa., February 23, 1965.

Mr. ROBERT C. GOODWIN,
Administrator, U.S. Department of Labor,
Bureau of Employment Security,
Washington, D.C.

DEAR MR. GOODWIN: In reply to your recent letter concerning the notice we addressed to recipients of Manpower Development and Training Act training allowances on January 15, I am enclosing a copy of a second letter which I have directed to be mailed to trainees who received the first letter.

I personally feel that this should "set the record straight" and make clear to the trainees the actual facts regarding the reduction of the training allowance in Pennsylvania.

Since proposed amendments to the Manpower Development and Training Act are now under consideration, this would be a good time to clarify the method of computing the basic weekly allowance, if statutory clarification is considered necessary. As previously remarked, it seems to me that the present act and regulations permit the calculation to be made on the basis of the average total weekly payment of unemployment compensation in the State, and that this method of calculation would best carry out the purposes of the act.

I will appreciate your advice as to whether in the opinion of the Department of Labor this can be accomplished without amendment to the act.

Sincerely yours,

JACK B. BROWN,
Executive Director.

To Recipients of Manpower Development and Training Act Training Allowances:

On January 15, 1965, we sent you a letter calling attention to the reduction of your basic weekly training allowance from $33 to $30. We remarked that this reduction was pursuant to instructions received from the Federal Government, and that the Pennsylvania Bureau of Employment Security had

strongly protested the Federal method of calculating the weekly training allowance, and would continue to do so.

The Federal agency feels that we should have described all of the factors that went into this $3 weekly reduction and that it should be made clear that it was not due to any arbitrary action or specific order of Federal agency. In order that the record may be clear as to the factors entering into the basic weekly training allowance, we are glad to quote the comments of the Federal agency and to explain in more detail our own views on the proper method of computing the allowance. The comments of the Federal agency on our letter of January 15, are as follows:

"The letter conveys the impression that this department, by specific action, caused the Pennsylvania Bureau of Employment Security to reduce each and every Pennsylvania Manpower Development and Training Act trainee's allowance by $3.

"The actual facts are that the reduction, applicable to training allowances for the January–March 1965 quarter, is a result of two factors. The first dollar of the reduction is the result of seasonal variations which caused the average payment for a week of total unemployment to be a dollar less in the July–September quarter of 1964 than it had been during the preceding quarter. This type of reduction is not new. A similar reduction in allowances occurred in the January–March quarter of 1964, and it is occurring in 21 States in addition to Pennsylvania for the January–March quarter this year.

"The second factor causing a reduction in the allowance is the effect of the amendments to the Pennsylvania unemployment insurance law which became operative in the July–September 1964 quarter. The principal change causing a lower average payment for a week of total unemployment was the provision reducing the unemployment insurance payment by the amount of any pension payment to which the claimant is entitled. The net effect of the new provisions on the average unemployment insurance payment accounts for the other $2 reduction in the Manpower Development and Training Act training allowance."

The Pennsylvania Bureau of Employment Security believes that if the basic weekly training allowance was determined as it should be under the Manpower Development and Training Act there would be no reduction in the weekly amount payable to trainees merely because some claimants for unemployment compensation receive retirement pensions, which are deducted from their unemployment compensation benefits. It is our position that the weekly training allowance should be calculated on the basis of the average weekly payment of total unemployment compensation in the Commonwealth, and that this should not include weeks of partial payments resulting from deductions for pensions, vacation pay, previous overpayments of benefits, or similar deductions. Under the present methods used by the Federal Government to compute the weekly training allowance, such weeks of partial payments are included, and this naturally tends to depress the average weekly payment upon which the weekly allowance for trainees is based. The Pennsylvania bureau has protested and will continue to protest this method of calculating the weekly training allowance.

We hope that the Federal Government will revise its method of calculating the weekly training allowance, and that it will adopt the method recommended by the Pennsylvania bureau—under which the allowance will be based on the average of full compensation payments. This would mean higher basic weekly allowances for all trainees under the manpower development and training program, both in Pennsylvania and elsewhere.

As we stated in our letter of January 15, Governor Scranton has assured the bureau that, if administrative action cannot be obtained, he will take this matter to the Pennsylvania congressional delegation and urge their participation in order to get a more favorable computation.

Again, we call to your attention that Governor Scranton has asked the legislature to increase the maximum weekly benefit under the Pennsylvania unemployment compensation law from $45 to $50. If the legislature approves this request, this in the long run will also help to improve training allowances.

Very truly yours,

JACK B. BROWN,
Executive Director.

VOCATIONAL EDUCATION AND EXTENSION BOARD,
Mineola, N.Y., February 25, 1965.

Hon. JOSEPH S. CLARK,
U.S. Senator, Chairman, Subcommittee Manpower Training Program,
Washington, D.C.

DEAR SIR: The following is a copy of a day letter which we have this day sent to you:

"Strongly urge approval S. 974, manpower training program. We have trained over 500 for industry; 600 now in attendance other courses."

Very truly yours,

CHARLES R. WALLENDORF, *Director.*

PROVIDENCE, R.I., *February 17, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

The State of Rhode Island favors the amendments proposed in S. 974 and continuation of the Manpower Development and Training Act programs. The State also favors the proposed 90–10 matching fund formula.

GOV. JOHN H. CHAFEE.

PROVIDENCE, R.I., *February 17, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

The director of the Rhode Island Department of Employment Security favors bill, S. 974, amendments to the Manpower Development and Training Act of 1962 which offers expanded opportunities for training and retraining unemployed workers, particularly those which would extend period of training allowance support from 1 to 2 years, would permit single persons without dependents to receive training allowance; would increase by $5 a week training allowances for each dependent over two up to a maximum of six; would give the Secretary of Labor some administrative flexibility in computing the number of youths who can receive training allowances; would base allowance on average unemployment insurance payment for most recent four-quarter period for which data are available rather than one-quarter period thus removing cause for fluctuation from quarter to quarter in amount of allowance payment; would permit transportation allowance payment for daily commuting between residence and place of training; would permit 20 hours of outside work by on-the-job trainees without a reduction in allowance; would put Federal-State matching on a 90–10 basis.

FRANK A. CARTER, JR.,
Director, Rhode Island Department of Employment Security.

COLUMBIA, S.C., *February 12, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Old Senate Office Building, Washington, D.C.:

I have carefully considered the provisions of S. 974 (proposed amendment to the Manpower Development and Training Act of 1952) and have consulted with those individuals chiefly responsible for administration of the program in South Carolina, including the director of our State employment service. With respect to the questions posed in your telegram, the consensus of opinion here is one of unanimous support for the amendments proposed in S. 974. We urge continuation of the Manpower Development and Training Act programs, and, although I have previously sought deferment of any action requiring States to match Manpower Development and Training Act funds, I am of the opinion that S. 974

represents a compromise which is compatible with South Carolina's ability to meet the fiscal requirement set forth in the proposed amendment.

GOV. DONALD RUSSELL.

PIERRE, S. DAK., *February 17, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

We favor the amendment proposed in S. 974. We favor the continuation of the manpower development and training program. We are strongly in favor of the proposed 90–10 matching fund formula.

NILS A. BOE,
Governor of South Dakota.
J. V. YAUKEY,
Executive Assistant, Employment Security Department of South Dakota.

SALT LAKE CITY, UTAH, *February 16, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

The administrator of the department of employment security recommends passage of S. 974, including the provision to continue Manpower Development and Training Act programs on a 90–10 matching basis. I concur with this recommendation.

CALVIN L. RAMPTON, *Governor of Utah.*

RICHMOND, VA., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
New Senate Office Building, Washington, D.C.:

The Virginia Employment Commission joins me in recommending favorable action on S. 974. Continuation of the Manpower Development and Training Act programs on the proposed 90–10 matching fund formula is favored. After July 1966 there is no appropriation in Virginia budget for this purpose at present.

A. S. HARRISON, *Governor of Virginia.*

OLYMPIA, WASH., *February 18, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:

Re your telegram S. 974. Commissioner and employer service director favor amendment to Manpower Development and Training Act. We urge continuation of manpower development and training program. We favor 90–10 formula over present formula but strongly doubt our legislature will provide even 10 percent in dollars. In view of this problem we favor 100-percent Federal financing, we understand that total Federal financing of State employment securities programs precludes matching in kind. If State unemployment insurance benefit to Manpower Development and Training Act trainees are considered as in kind non-Federal contributions, the State agency has no means of forecasting the number of Manpower Development and Training Act trainees who would qualify for State unemployment insurance benefits or the amounts of entitlement. Therefore, we are unable to guarantee in kind matching of any definite percentage basis.

DANEL J. EVANS, *Governor.*

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, February 10, 1965.

Hon. JOSEPH S. CLARK,
Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: This is to express officially the deep interest of the State of West Virginia in S. 974, a bill to amend the Manpower Development and Training Act of 1962, as amended, and to urge your strong support of this important legislation.

We, in West Virginia, have begun what we hope will be a vast expansion of administration programs for the training and retraining of unemployed workers. We are preparing to begin in March a project designed to train more than 300 persons in the operation of heavy equipment for roadbuilding and other construction, and S. 974 is vital to the successful continuance of this service.

Be assured that your valuable efforts toward enactment of S. 974 will be appreciated very much, not only by me, as Governor, but by all the people of West Virginia.

Sincerely,

HULETT C. SMITH, *Governor.*

CHARLESTON, W. VA., *February 12, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

In reply to your telegram, West Virginia is strongly in favor of amendments proposed in S. 974.

Our State, as I explained in my recent letter to you, looks upon continuation of Manpower Development and Training Act programs as a matter of utmost importance.

The proposed 90–10 matching fund formula would be of inestimable benefit as we move to improve and expand our various training programs.

I reiterate that West Virginia considers S. 974 a bill of great need, and this opinion is shared by our department of employment security.

Sincerely,

HULETT C. SMITH, *Governor.*

MADISON, WIS., *February 12, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Washington, D.C.:

We favor amendments proposed in S. 974, continuation of Manpower Development and Training Act programs, proposed 90–10 matching fund formula. Frank Walsh, State employment director; Clarence Greiber, vocational school director, mailed letters yesterday supporting all three proposals.

WARREN P. KNOWLES, *Governor.*

MADISON, WIS., *March 1, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee of the Senate Labor and Public Welfare Committee,
Washington, D.C.:

Wisconsin's budget does not include funds to match Federal funds expended for training programs under Manpower Development and Training Act. Existing revenue gap makes State funding of any share of this program extremely difficult if not impossible. Hope consideration will be given to continue 100 percent Federal funding of manpower development and training program.

WARREN P. KNOWLES,
Governor of Wisconsin.

CASPER, WYO., *February 15, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.:

In reply to the questions in your February 11 telegram I strongly favor and urge amendments to the Manpower Development and Training Act to continue the programs it provides. The proposed new matching formula sounds reasonable, but an effective date prior to July 1, 1967, would be practically impossible in Wyoming, where our legislature meets only every other year. The legislature will adjourn at the end of this week and will not have another opportunity to consider matching legislation until January 1967. I would urge continuation of full Federal financing through June 1967.

ROBERT E. CLIZBE,
Director, Wyoming State Employment Service.

LETTERS AND TELEGRAMS FROM STATE VOCATIONAL EDUCATION DEPARTMENTS AND OTHER EDUCATION SOURCES

MONTGOMERY, ALA., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
New Senate Office Building, Washington, D.C.:

There is urgent need in Alabama to extend nonmatching for Federal funds for Manpower Development and Training Act and the Area Redevelopment Act. Effort made to obtain State funds but unsuccessful. Alabama has excellent and large program. Next year can be larger and better.

J. F. INGRAM,
State Director of Vocational Education.

JUNEAU, ALASKA, *February 24, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
New Senate Office Building, Washington, D.C.:

Strongly urge Senate approval of S. 974. Alaska's manpower program badly needs this legislation.

EARL R. HEPLER,
Director of Vocational Education, State Department of Education.

LITTLE ROCK, ARK., *February 25, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building, Washington, D.C.:

Passage of S. 974 very important to people of Arkansas. Manpower program has made a large number of people employable and there are still countless numbers who need training for employment.

J. MARION ADAMS,
State Department of Education.

SACRAMENTO, CALIF., *February 26, 1965.*

Hon. JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.:

I understand that the Senate is now considering S. 974 which contains amendments to the Manpower Development and Training Act and that the House will soon consider H.R. 4257 which is an identical bill. Please convey to your colleagues our wholehearted endorsement of this legislation. The Manpower Development and Training Act has proven effective legislative which is in need of further refinements, improvements, and broadening provisions.

ALBERT B. TIEBURG,
Director of California Department of Employment.

DENVER, COLO., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Colorado vocational educators earnestly ask your help for Senate approval of S. 974. The continuation of Manpower Development and Training Act program vital to lives of many people and amendments in S. 974 essential.

A. R. BUNGER, *Executive Director.*

ATLANTA, GA., *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

Manpower Development and Training program in Georgia has been of tremendous value to more than 4,000 citizens. We join with other States in urging approval of S. 974. Without this program many individuals will never be made employable. With deep appreciation for your concern for vocational technical education, particularly the Manpower Development and Training program.

JACK P. NIX,
State Director, Vocational Education, Georgia Department of Education.

BOISE, IDAHO, *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Most important that Senate approval be given to Senate bill 974 with no State or local matching requirements.

S. R. GLENN,
State Director of Vocational Education.

INDIANAPOLIS, IND., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Senate approval of Senate bill 974, Manpower Act amendment, is vital to continuation of the Manpower Development and Training Act program in our State.

W. A. WILLIAMS,
Director of Vocational Education, State of Indiana.

BELOIT, KANS., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

We urge favorable consideration Senate bill 974 with 100-percent financing. Kansas will be unable train under Manpower Development and Training Act if there is 10-percent requirement for matching funds.

DEAN D. HADDOCK,
Chairman, Board of Control, North-Central Kansas.

WICHITA, KANS., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Senate Office Building, Washington, D.C.:

Manpower development training as set forth in Senate bill 974 is a national problem and needs 100-percent Federal support. Property tax in Kansas is now

overburdened. Program in Kansas will be lost if left to either State or local support at this time.

LAWRENCE H. SHEPOISER,
Superintendent of Schools, Wichita, Kans.

TOPEKA, KANS., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

Urge approval of S. 974 in the interest of the continuation of the manpower development and training program in Kansas. It is imperative for the continuation of this program that 100-percent Federal financing of the program be continued.

THAINE D. MCCORMICK,
State Director and Executive Officer, State Board for Vocational Education,

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PUBLIC SCHOOLS,
Kansas City, Kans., February 26, 1965.

Hon. JOSEPH S. CLARK,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: The positive benefits of the Manpower Development and Training Act to America, and in particular to its underemployed are just now starting to be felt. Kansas City, Kans., schools have initiated several major projects and plans are ready to expand into several other fields of training.

It is, therefore, imperative that every effort be made to keep the present training programs going and to expand into areas where more people can be given the skills which will change them from unemployed welfare and public charges to productive, employed, and taxpaying citizens. There is no prospect of the State legislature financing any part of this program at this time.

Thus, it is urgent that full financing at the Federal level be maintained. Failure to do so will result in termination of the programs.

Your support of the extension and full financing of the Manpower Development and Training Act programs is urgently requested.

Sincerely yours,

O. L. PLUCKER,
Superintendent of Schools.

FRANKFORT, KY., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Very important that Manpower Development and Training Act program be continued on a nonmatching basis. Kentucky has no funds for matching programs. Programs very successful—80 percent of trainees in jobs for which trained. Program will close June 30 unless law amended.

E. P. HILTON,
Director Vocational Education.

AUGUSTA, MAINE, *February 25, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building,
Washington, D.C.:

Senate approval of S. 974 most important for continuation of manpower training in Maine. Demands for State funds raise doubt regarding State appropriation for matching.

JOHN A. SNELL,
Chief, Bureau of Vocational Education, State Department of Education.

BOSTON, MASS., *February 24, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building,
Washington, D.C.:

Massachusetts heavily involved in manpower training. Unrealistic matching requirements for vocational educational programs can seriously affect or eliminate our endeavors. Strongly urge passage of S. 974.

WALTER J. MARKHAM,
Director, Massachusetts Division of Vocational Education.

JACKSON, MISS., *February 24, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building,
Washington, D.C.:

We urge your committee approval of S. 974, a bill to amend the Manpower Development and Training Act of 1962.

A. P. FATHERREE,
State Director of Vocational Education.

JEFFERSON CITY, MO., *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Heartily endorse S. 974. Urge elimination of matching requirement for training programs. Enactment will make more effective the administration of the manpower development and training program in Missouri.

B. W. ROBINSON,
Director, Vocational Education, Missouri State Department of Education.

STATE OF NEBRASKA,
DEPARTMENT OF EDUCATION,
Lincoln, February 9, 1965.

Senator JOSEPH S. CLARK,
Chairman, Subcommittee of the Senate Labor and Public Welfare Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: I have reviewed a copy of S. 974, a bill to amend the Manpower Development and Training Act of 1962, and wish to extend my support to this bill.

Since the first course was initiated in Nebraska, late in 1962, funds in the amount of $2,282,477 have been approved for 2,915 trainees; 450 persons have completed training; and there are 699 persons presently enrolled in training. The present dropout rate of courses in operation is less than 13 percent. The majority of those have dropped to take employment in occupations related to their training.

We are extremely proud of our successful efforts to utilize the existing facility of the Sioux Army Depot, which is in the process of being phased out, for a multioccupational training program which is providing training at the beginning for 140 unemployed people.

Our other projects are outlined in detail in the enclosed "Nebraska Story," a recent publication.

As a school administrator for 14 years I have concluded that the Manpower Development and Training Act is one attempt to do, and in my opinion is doing, what we should have been doing for many years; namely, matching people with labor market needs. We in Nebraska have not been able to train the underemployed. It is our hope that this will be made possible before too long.

We have many statements from our trainee graduates expressing appreciation of the provisions outlined in the act. For example, a student in our practical nurse project:

Mrs. ——— is a 24-year-old divorcee with two children. She does not know where her former husband is and her only income is from her parents. She states:

"I really need this program. Nursing has been my desire for a long time. I think manpower is the most wonderful thing that ever happened. Without it I probably would never have gone back to school for I could not have asked my people to put me through school."

Thirty-one-year-old Mrs. ——— is divorced. She is the mother of three and was receiving ADC. "I think the program is wonderful, the instructors are better than that. The hospitals are so willing to help us and our training is good. This gives me something I hadn't hoped for. My family can be proud of me and I can raise them decently and properly."

We have many more stories to tell and we hope your influence will continue the Manpower Development and Training Act.

Sincerely,

KENNETH E. SHIBATA,
Consultant, Vacational Education Division.

NEVADA DEPARTMENT OF EDUCATION,
VOCATIONAL AND ADULT EDUCATION DIVISION,
Carson City, February 9, 1965.

Hon. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: I enclose for your information a copy of my letters to Senator Alan Bible and to Senator Howard Cannon, of Nevada.

I have also written to the Honorable Walter Baring, Representative from Nevada, with regard to H.R. 4257.

I sincerely trust that you may support Senate bill 974.

Sincerely yours,

JOHN N. MCCARTHY,
State Supervisor, Manpower Development and Training.

LETTERS TO SENATORS BIBLE AND CANNON

FEBRUARY 9, 1965.

Having been intimately acquainted with the education, training, and rehabilitation programs administered by the Veterans' Administration for almost 20 years, and as Chief of a Vocational Rehabilitation Division, I recognize the manifold benefits that have accrued to the Nation, to the State of Nevada, and to the individual through the laws which provided these benefits.

During the past 2 years, I have had the opportunity to observe and become acquainted with the benefits to the State of Nevada, and to a large number of our citizens, through the Manpower Development and Training Act (Public Law 87–415). The benefits of this act have been made available to the handicapped, the unemployed, displaced workers, minority groups, and others, and through it these people have been qualified for self-sustaining employment.

Statewide studies conducted by the Nevada State Division of Vocational-Technical and Adult Education have shown conclusively that 82 percent of all persons trained have obtained gainful employment in the occupation for which training was provided, or in a training-related job.

Welfare and unemployment payments have in many instances ceased, and it is estimated that within a period of 6 months full employment the cost of their training will have been returned.

The present law (Public Law 87–415) requires matching funds by the States amounting to 33⅓ percent, and it is extremely doubtful that Nevada can or will meet this requirement. Under proposed Senate bill 974, the matching requirement would be reduced to 10 percent, which is more likely to be looked upon favorably by our legislators.

If this program can be continued in Nevada, I am convinced that the long-range benefits to our State and to our citizens who are in need of employment rather than charity will be most beneficial.

I therefore respectfully request your assistance and support toward the passage of Senate bill 974 which may shortly come before the Senate for consideration.

With kindest personal regard, I am,

Sincerely yours,

JOHN N. MCCARTHY,
State Supervisor, Manpower Development and Training.

NEVADA DEPARTMENT OF EDUCATION,
VOCATIONAL AND ADULT EDUCATION DIVISION,
Carson City, February 9, 1965.

Hon. WALTER S. BARING,
House of Representatives, Washington, D.C.

DEAR MR. BARING: Having been intimately acquainted with the education, training, and rehabilitation programs administered by the Veterans' Administration for almost 20 years, and as chief of a Vocational Rehabilitation Division. I recognize the manifold benefits that have accrued to the Nation, to the State of Nevada, and to the individual through the laws which provided these benefits.

During the past 2 years, I have had the opportunity to observe and become acquainted with the benefits to the State of Nevada, and to a large number of our citizens, through the Manpower Development and Training Act (Public Law 87–415). The benefits of this act have been made available to the handicapped, the unemployed, displaced workers, minority groups, and others, and through it these people have been qualified for self-sustaining employment.

Statewide studies conducted by the Nevada State Division of Vocational-Technical and Adult Education have shown conclusively that 82 percent of all persons trained have obtained gainful employment in the occupation for which training was provided, or in a training related job.

Welfare and unemployment payments have in many instances ceased, and it is estimated that within a period of 6 months full employment the cost of their training will have been returned.

The present law (Public Law 87–415) requires matching funds by the States amounting to 33⅓ percent, and it is extremely doubtful that Nevada can or will meet this requirement. Under proposed H.R. 4257, the matching requirement would be reduced to 10 percent, which is more likely to be looked upon favorably by our legislators.

If this program can be continued in Nevada, I am convinced that the long-range benefits to our State and to our citizens who are in need of employment rather than charity will be most beneficial.

I therefore respectfully request your assistance and support toward the passage of H.R. 4257 which may shortly come before the House of Representatives for consideration.

With kindest personal regard, I am

Sincerely yours,

JOHN N. MCCARTHY,
State Supervisor, Manpower Development and Training.

NEVADA DEPARTMENT OF EDUCATION,
VOCATIONAL, TECHNICAL, AND ADULT EDUCATION DIVISION,
Carson City, February 11, 1965.

Hon. JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: I enclose for your information a copy of my letters to Senator Alan Bible and to Senator Howard Cannon of Nevada.

Your introduction of Senate bill 974 to amend the Manpower Development and Training Act is deeply appreciated.

Sincerely yours,

JOHN W. BUNTEN,
Assistant Superintendent, Vocational, Technical, and Adult Education.

NEVADA DEPARTMENT OF EDUCATION,
VOCATIONAL AND ADULT EDUCATION DIVISION,
Carson City, February 10, 1965.

Hon. ALAN BIBLE,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR BIBLE: I recently obtained a copy of Senate bill 974 concerning amendments to the Manpower Development and Training Act of 1962. As you no doubt are aware, Nevada has taken advantage of the Manpower Development and Training Act and the results are very meaningful to the State. According to our records 2,428 unemployed persons have been trained or are in training through the manpower development and training programs. Records of the employment security department indicate that 82 percent of the graduates of these programs are currently employed in the occupation or closely related occupations for which they were trained.

We are thoroughly sold on the manpower development and training programs and believe they should be continued. With all the demands for the tax dollar in Nevada it appears unlikely our State legislature would be able to appropriate the required matching under the present Manpower Development and Training Act. Senate bill 974 would permit the continuance of Manpower Development and Training Act projects on a 10 percent matching in cash or in kind. This amendment would place the Manpower Development and Training Act program on the same basis as the Economic Opportunity Act which appears only fair.

We feel that the projects that have been developed to train unemployed persons in Nevada have been good and I would sincerely urge your favorable consideration on S. 974.

Kindest personal regards, I am,

Sincerely yours,

JOHN W. BUNTEN,
Assistant Superintendent, Vocational, Technical, and Adult Education.

NEVADA DEPARTMENT OF EDUCATION,
VOCATIONAL AND ADULT EDUCATION DIVISION,
Carson City, February 10, 1965.

Hon. HOWARD S. CANNON,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR CANNON: I recently obtained a copy of Senate bill 974 concerning amendments to the Manpoyer Development and Training Act of 1962. As you no doubt are aware, Nevada has taken advantage of the Manpower Development and Training Act and the results are very meaningful to the State. According to our records 2,428 unemployed persons have been trained or are in training through the manpower development and training programs. Records of the employment security department indicate that 82 percent of the graduates of these programs are currently employed in the occupation or closely related occupations for which they were trained.

We are thoroughly sold on the manpower development and training programs and believe they should be continued. With all the demands for the tax dollar in Nevada it appears unlikely our State legislature would be able to appropriate the required matching under the present Manpower Development and Training Act. Senate bill 974 would permit the continuance of Manpower Development and Training Act projects on a 10 percent matching in cash or in kind. This amendment would place the Manpower Development and Training Act program on the same basis as the Economic Opportunity Act which appears only fair.

We feel that the projects that have been developed to train unemployed persons in Nevada have been good and I would sincerely urge your favorable consideration on S. 974.

Kindest personal regards, I am,

Sincerely yours,

JOHN W. BUNTEN,
Assistant Superintendent, Vocational, Technical and Adult Education.

CONCORD, N.H., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Value of Manpower Development and Training Act projects to unemployed in New Hampshire inestimable. Amendments provided by S. 974 important to correcting some weaknesses of original act. Proposed 90–10 matching funds provision important to continuation of program in this State. Strongly urge Senate approval.

EARL H. LITTLE,
Chief, Division of Vocational Education,
New Hampshire State Department of Education.

BURLINGTON, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower Training,
New Senate Office Building, Washington, D.C.:

The Burlington County Board for Vocational Education requests your favorable consideration in urging Senate approval of S. 974.

JOHN K. OSSI, *Director.*

PENNS GROVE, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge Senate approval of S. 974.

HERBERT C. DONAHGAY,
Director, Salem County Technical Institute.

TOMS RIVER, N.J., *February 25, 1965.*

Senator JOSEPH CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

We urge approval of bill S. 974.

LEWIS J. CAPALDI,
Director, Ocean County Vocational Technical School.

SOMERVILLE, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Strongly urge Senate approval of bill S. 974. It is imperative that manpower development training be continued to meet the needs of the citizens of the United States.

WILLIAM J. SCHOTT,
Director, Somerset County Vocational and Technical School.

ATLANTIC CITY, N.J., *February 25, 1965.*

Senator CLARK,
New Senate Office Building, Washington, D.C.:

Suggest urgent approval on S. 974.

PAUL LACITY,
Director, Atlantic City Vocational School.

BAYONNE, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

It's most important that manpower training bill S. 974 be approved. I presently have seven manpower training projects, for unemployed heads of families, waiting approval. Please vote for this bill.

JOHN J. O'CONNELL,
Director of Vocational Education.

CAPE MAY, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Building, Washington, D.C.:

Respectfully urge your support on S. 974.

ROBERT HOFT,
Director, Cape May County Vocational School.

EAST ORANGE, N.J., *February 25, 1965.*

Senator JOSEPH CLARK,
Chairman, Subcommittee on Manpower,
New Senate Building, Washington, D.C.:

Urge favorable action on S. 974. So that many worthy citizens our country may benefit by Manpower Development and Training Act training.

GEORGE W. MORGENROTH,
Director, Essex County Vocational Technical School.

ELIZABETH, N.J., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.

DEAR SENATOR: We urge you to approve bill S. 974 pertaining the Manpower Act.

Very truly yours,

STEPHEN J. PONIATOWSKI,
Director, Thomas S. Edison Vocation Technical High School, Elizabeth Board of Education.

PATERSON, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge Senate approval of S. 974.

PASSAIC COUNTY VOCATIONAL SCHOOL.

NEWTON, N.J., *February 25, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building,
Washington, D.C.:

Senator Clark, the Sussex County Board of Vocational Technical Education, Newton, N.J., urge your full support of S. 974.

JOHN M. CUMMINGS,
Director Vocational Education.

SANTA FE, N. MEX., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington D.C.:

We urge passage of S. 974 as manpower programs mean much to New Mexico.

M. G. HUNT,
State Director of Vocational Education.

PEARL RIVER, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Senate Committee on Labor and Public Welfare,
Washington, D.C.:

Am advised of effort to amend S. 512 to include a rider which would ban the issuance of patents to companies doing research and development projects under contract to governmental health agencies on the presumption that such patents belong to the public. I urge you to review carefully with your colleagues on the Senate Committee on Labor and Public Welfare the impropriety of such an amendment to legislation vital to the financing of the health agencies. The issue of patent property rights is so basic to the Government patent policy that it should be subject of a completely separate investigation in which necessary full attention could be devoted by the many affected agencies concerned with Government, industry, and the general public interest.

ROBERT P. PARKER,
General Manager, Lederle Laboratories.

HERKIMER, N.Y., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Biulding, Washington, D.C.:

Urge strongest approval of S. 974 manpower development training program to insure continuance of much-needed training program.

COUNCIL OF NEW YORK STATE VOCATIONAL &
PRACTICAL ARTS ASSOCIATION,
EDWIN KOMENDAREK,
Legislative Chairman.

NEW YORK CITY, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Please support bill S. 974, Manpower Development and Training Act, providing funds for Manpower Development and Training Act program.

JOHN F. HOPS, Jr.,
District Superintendent of Schools, Rockland County, N.Y.

HERKIMER, N.Y., *February 25, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge strongest approval of S. 974, manpower development and training program, to insure continuance of much needed training program.

EDWIN KOMENDAREK,
Director of Manpower Development and Training, Steuben School.

MINEOLA, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Strongly urge approval S. 974, manpower training power program. We have trained over 500 for industry; 600 now in attendance other courses.

CHARLES R. WALLENDORF,
Director, Vocational Education and Extension Board.

BUFFALO, N.Y., *February 25, 1965.*

Senator CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge Senate approval of S. 974, manpower development and training program to include the matching provision on a 90 Federal-10 State basis.

ERNEST H. HOELDTKE,
District Superintendent of Schools, Erie County.

ROCHESTER, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

We urge that you support bill No. S. 974 involving funding of manpower development and training programs.

PAUL K. W. SPRINGER,
Director of Manpower Training Programs.

ROCHESTER, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

We urge that you support bill S. 974, involving funding of manpower development and training programs.

HERMAN R. GOLDBERT,
Superintendent of Schools.

BROOKLYN, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower Program,
Washington, D.C.:

We respectfully urge you to support bill S. 974, to amend the Manpower Development and Training Act to a 90-percent Federal and 10-percent State funding ratio.

Dr. HARRY E. WOLFSON,
Assistant Superintendent, New York City Board of Education.

ALBANY, N.Y., *February 26, 1695.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

We urge Senate support of bill S. 974 regarding the manpower development and training program.

JAMES T. HEPINSTALL,
Deputy Superintendent, Albany Public Schools.

43-822—65——19

BUFFALO, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

Urge Senate approval S. 974, manpower development and training program. Urge matching ratio 10 to 1 be accepted.

JOSEPH SCHMIDLE,
Director, Manpower Development and Training.
JAMES R. SPENGLER,
Project Coordinator.
JOSEPH PILERI,
Curriculum Coordinator.

POTSDAM, N.Y., *February 26, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower Development Training Program, Washington, D.C.:

Matching provision S. 974, manpower development and training program, urgently needed.

FRANK BALDWIN,
President, Board of Cooperative Services.

POTSDAM, N.Y., *February 26, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower Development Training Program, Washington, D.C.:

To continue manpower development and training program I urge acceptance of matching provision S. 974.

JAMES FOGARTY,
Director, Manpower Development and Training Program.

POTSDAM, N.Y., *February 26, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower Development Training Program, Washington, D.C.:

I urge approval and acceptance of matching as proposed S. 974, manpower development training program.

MELISSA N. CARROLL,
Superintendent of Schools.

SYRACUSE, N.Y., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

The city school district of Syracuse, N.Y., urges your support of the 90-percent Federal and 10-percent State funding provisions contained in S. 974, manpower development program bill. Our district with its State constitutional tax limit on cities in our size category and unmet needs for our regular school program would not be able to operate any manpower development and training programs not 100 percent funded by Federal or State sources.

FRANKLIN S. BARRY,
Superintendent of Schools.

BISMARCK, N. DAK., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

Earnestly solicit your support to insure passage of S. 974.

LEROY H. SWENSON,
Director of Vocational Education,
State Board for Vocational Education.

CITY SCHOOL DISTRICT,
Binghamton, N.Y., February 25, 1965.

Re. bill No. S. 974, manpower development and training program.
Senator JOSEPH S. CLARK,
Chairman of Subcommittee on Manpower,
Washington, D.C.

DEAR SENATOR CLARK: As assistant superintendent of the Binghamton City School District and the director of the local manpower development and training program, I wish to most strongly urge the Senate to accept the amendment to the present Manpower Development and Training Act, making matching funds available on a 90–10 basis.

With the already overtaxed State and local budgets, unless this amendment is approved, this program is doomed because of lack of the extremely high matching funds in future years. We cannot afford to see this program die since it already has proven itself as a worthwhile adult training program.

Yours sincerely,

JOHN H. WARNER,
(For John B. Lillie, Assistant Superintendent of Schools).

TREASURE VALLEY COMMUNITY COLLEGE,
Ontario, Oreg., February 12, 1965.

HON. JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: On behalf of manpower development and training programs throughout the State of Oregon, I am writing to you as president of the Oregon Vocational Association urging that you support vocational education in bill No. S 974 to amend the Manpower Development and Training Act of 1962.

I am personally and professionally concerned about this act and feel that we need continued liberal support of this type of education and training in the State of Oregon. I am certain that you feel as I, that manpower funds must be continued from the Federal source in order to make this type of program successful. I understand that it may be necessary to put this money on 90-percent Federal, 10-percent State and local matching basis. If my understanding is correct, I would still support this wholeheartedly even though 100-percent Federal support would be more feasible from a first point of view.

If you need further information or specific instances where manpower development training has helped, please feel free to contact my office at any time. I know that if this program is continued our unemployed people in the State of Oregon will become employable and become citizens of our State, and, of course, our Nation.

Sincerely yours,

CARL G. DEVIN,
President, Oregon Vocational Association.

TREASURE VALLEY COMMUNITY COLLEGE EDUCATION ASSOCIATION,
February 12, 1965.

Hon. JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: It is quite evident that the Manpower Development and Training Act program has provided a start in helping the unemployable on the road to success.

I understand that S. 974 would provide matching funds on a 90 to 10-percent basis. Whatever the provision, it is the sincere wish of the Treasure Valley Community College Education Association to continue to contribute to the growth of our underprivileged people.

Sincerely,

JEFF FORD, *President.*

STATE OF OREGON,
STATE DEPARTMENT OF EDUCATION,
Salem, Oreg., February 12, 1965.

Hon. JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.:

The Governor's Manpower Development Committee for Oregon has not seen fit to recommend to the State legislature that they make available funds for one-third matching with two-thirds matching of Federal funds for continuing the Manpower Development and Training Act program for fiscal years 1966 and 1967. However, when S. 974 was explained to them at the recent advisory meeting held February 11, 1965, they reversed their attitude and agreed to write a letter to the Governor expressing their support for the Manpower Development and Training Act program as provided in S. 974.

At the present time, there are a number of approved training projects that should have extended into fiscal year 1966, but because of the June 30 deadline for 100-percent matching, they will terminate prematurely.

If the manpower development training program is to continue meeting the occupational needs of Oregon's people, it will be necessary for the present Congress to amend the Manpower Development and Training Act of 1962 to provide at least 90-percent matching. Therefore we urgently solicit your support of Senate bill 974.

LEON P. MINEAR,
Superintendent, Public Instruction.

OREGON VOCATIONAL ASSOCIATION,
Salem, Oreg., February 11, 1965.

Hon. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR: The Oregon Vocational Association composed of members from all phases of vocational education urge your support of S. 974 to amend the Manpower Development and Training Act of 1962. We are anxious to see funds continued for the manpower development and training program even though it be on a matched basis of 90-percent Federal and 10-percent State or local.

We feel that the Manpower Act, if continued, will enable our unemployable people to work and become substantial citizens of our State and Nation.

ELMER H. HALSTEAD, *Executive Secretary.*

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Harrisburg, February 11, 1965.

Hon. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: I have recently received a copy of the proposed amendments to the Manpower Act (H.R. 4357 and S. 974). Several of the proposed

amendments will undoubtedly strengthen the act and should be incorporated in the act.

However, I strongly urge that the amendment which calls for matching on the basis of 90-percent Federal and 10-percent State be stricken from the proposed changes. If this amendment were to become part of the law, it would work a tremendous hardship upon the States.

Pennsylvania has prided itself on the tremendous participation in the manpower program, and we are exceptionally proud of the results secured from our many training programs.

We respectfully solicit your support in the elimination of the requirement that the States provide matching funds for the Manpower Act.

Respectfully yours,

JOHN W. STRUCK,
State Director of Vocational Education.

PROVIDENCE, R.I., *February 25, 1965.*

Senator JOSEPH S. CLARK,
New Senate Office Building, Washington, D.C.:

We urgently request that bill S. 974 receive favorable action. It is vital to the continuance of retraining programs in Rhode Island that this bill receive final approval.

EDWARD J. MEDEIROS.

TENNESSEE DEPARTMENT OF EDUCATION,
DIVISION OF VOCATIONAL EDUCATION,
Nashville, February 10, 1965.

Subject: Senate bill 974; House bill 4257—Amendment to the Manpower Development and Training Act of 1962.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee of the Senate Labor and Public Welfare Committee, U.S. Senate, Washington, D.C.

MY DEAR SENATOR CLARK: As State director of vocational education for the State of Tennessee, I would like to indicate to you my State's experience and attitude toward the indicated amendment to the Manpower Development and Training Act of 1962, on which your committee is conducting hearings.

We, in the State of Tennessee, have found the manpower development and training program to be highly successful in reaching a large number of people who would not normally be reached through regular vocational programs. Our programs have an extremely high placement factor for programs which are in operation and have been completed. We are highly pleased with the funding possibilities of the past; but have been greatly concerned for some time regarding the one-third State matching and one-half State matching as required by the law in the future. We doubt quite seriously if we will be able to provide adequate funds for matching purposes in this next year because of mandatory expansions in other fields which do not allow a high priority for this program. I believe the 90–10 proposal as presented in the amendment would be highly successful and we, in turn, could provide the 10 percent cash or kind matching programs to continue our manpower development.

There has also been some reluctance on the part of our State to provide matching of one-third or one-half State funds for programs which are administered to an extremely great degree by the Department of Labor and departments outside of our own State government. I would strongly urge, as a State director of vocational education and director of manpower development training for the State of Tennessee, that special consideration be given to passage of the amendment to the act to provide the 90–10 basis for matching after June 30; and also the extension to provide completion of any programs that are started within this fiscal year on a nonmatching basis. Our present policy requires a termination of all programs prior to July 1 because of a lack of matching funds for the program beyond that date.

I would further urge that any consideration possible be given to a greater degree of freedom in providing of training programs by the State departments of employment and State departments of education.

If our department in this State may be of any additional assistance to the committee, we would be most happy to provide whatever assistance might be necessary.

Sincerely yours,

B. E. CHILDERS,
Assistant Commissioner, Vocational-Technical Education.

THE STATE OF WISCONSIN,
STATE BOARD OF VOCATIONAL AND ADULT EDUCATION,
February 27, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee of the Senate Labor and Public Welfare Committee, Washington, D.C.

DEAR SIR: Several weeks ago I wrote to you indicating support of the provisions of S. 974 which amends the Manpower Development and Training Act. I indicated that the biennial budget which is being considered by the State legislature does not include funds to match our Manpower Development and Training Act projects at the present time.

On Wednesday, February 24, I appeared before the Joint Committee on Finance to review the budget requests of this department including the need for funds to match Manpower Development and Training Act projects. Members of the committee expressed the feeling that funding of this program should continue at a 100-percent level by the Federal Government. Accordingly, there is serious doubt regarding the availability of funds from the legislature to match Manpower Development and Training Act projects which would require partial State funding.

I hope that the committee will give favorable consideration to full Federal funding of the Manpower Development and Training Act program beginning on July 1, 1965.

Sincerely yours,

C. L. GREIBER, *State Director.*

LAREDO, TEX., *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

We urgently request that manpower training be continued as at the present time with Federal funds providing all training. The program in Laredo has put more than 500 trained people to work, also the literacy training is helping.

PORTER S. GARNER,
Vocational Adjustment Coordinator,
Laredo Public Schools.

AUSTIN, TEX., *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge passage of amendments to the Manpower Training Act under S. 974 and continuation of 100 percent Federal funds for the manpower development and training program.

Great increases in scholastic population with much larger outlays for education of youth prevent securing of State and local matching funds for manpower training.

M. A. BROWNING,
Assistant Commissioner for Vocational Education,
Texas Education Agency.

HOUSTON, TEX., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge Senate approval S. 974, manpower program providing needed skills for many unemployed in this area.

JAMES S. GUPTON.

FORT WORTH, TEX., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
Washington, D.C.:

Respectfully urge your support of S. 974 amendments to Manpower Act.

G. B. TRIMBLE,
Director of Vocational Education, Fort Worth Public Schools.

MONTPELIER, VT., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

Urge Senate approval S. 974. Urge bill amendment nonmatching basis.

HAROLD S. GRAEME,
State Director, Vocational Education.

COMMONWEALTH OF VIRGINIA,
STATE BOARD OF EDUCATION,
Richmond, February 11, 1965.

Hon. JOSEPH CLARK,
U.S. Senate,
Washington, D.C.

DEAR SIR: Many fine vocational training programs have been developed in Virgina through appropriations made available under the Manpower Development and Training Act of 1962 and the 1963 amendments. However, since the act does not provide for continuing these appropriations after July 1, 1965, under the present formula, we feel that steps should be taken to further amend the act so as to assure the continuance of this program.

The manpower training program in Virginia has been succesful in providing employment training for those persons which no other program has been able to reach. In my opinion it would be disastrous to curtail this training program at this point.

The very nature of the program requires financial support from the Federal level as it ties very closely with the war on poverty and those participating come from all areas of the States. Our experience in Virginia indicates that only 20 percent of the enrollees in any one program are residents of the district in which the specific training is being provided. This creates a problem of who should provide the matching funds. The localities feel the unfairness of matching moneys for residents of other districts and it now appears that the State will not look with favor on a two-thirds to one-third fund matching arrangement.

The manpower development and training program opens the door to opportunities for the hard core of the unemployed who will be bypassed by other programs of training. The provision for continuing the program on a realistic financial basis is very important.

The proposed 90 percent Federal and 10 percent State and local financial support of the program is the minimum on which we feel the program will be successful in Virginia.

We would appreciate your supporting the administration-sponsored bill to amend the Manpower Development and Training Act of 1962 as amended, S. 974. Some items of documentary evidence of the support for this program by the Virginia press are enclosed.

Very sincerely,

GEORGE L. SANDVIG,
State Director, Vocational Education.

[From the Daily Progress, Feb. 5, 1965]

MANPOWER DEVELOPMENT AND TRAINING ACT DESERVES STATE SUPPORT

The State of Virginia is exhibiting a sadly familiar lack of foresight in indicating that it will not contribute matching funds to the Manpower Development and Training Act.

Up to now, the State has been getting a free ride in that all funds for the program have been contributed by the Federal Government. Beginning in July, States will be required to put up one-third of the necessary funds for three integral parts of the program. Governor Harrison has indicated he will not recommend the provision of matching funds, and Manpower Development and Training Act officials in Virginia are afraid of what will happen to what has come to be regarded as one of the prime weapons in the fight against poverty.

Some way might be found to meet two of the program's three parts, the ones covering administrative costs and training costs. But the third section is particularly important to the students themselves because it involves training allowances, constituting a measure of monetary support for heads of families who take courses. If the State refuses to provide one-third matching funds, many trainees will be left in the ridiculous position of being forced to draw unemployment compensation instead of learning a new trade or skill which would make them self-sustaining, contributing citizens.

Since Manpower Development and Training Act was begun in Virginia 3 years ago, a total of 1,404 persons have been trained in a wide variety of trades and skills. Approximately 70 percent of the trainees have been placed in jobs of their new occupations. Translated into human terms—or in terms of State and local finances, for that matter—this means that many more individuals who have a greater chance in life, who are no longer a public burden, and who are becoming solid, taxpaying citizens.

Governor Harrison would demonstrate a greater grasp of the future he so eloquently spells out for Virginia if he would reconsider his stand on Manpower Development and Training Act and all such programs which are designed to help people help themselves, and in so doing help the entire State.

[From the Times, Jan. 23, 1965]

JOBLESS TRAINING CALLED SUCCESS AS CUTBACK LOOMS

Virginia's programs under the Manpower Development and Training Act, which face the possibility of drastic reduction, have been very successful in Roanoke and southwest Virginia, Palmer K. St. Clair, Roanoke, manager of the Virginia Employment Commission, said Thursday.

Most of the courses, designed to teach the unemployed new trades, have been conducted in the western part of the State.

Congress enacted the Manpower Development and Training Act in 1962 and has provided financial support through mid-1965. But, beginning in July, States will be required to put up one-third of the funds for administrative costs, training costs, and training allowances.

Gov. Albertis S. Harrison, Jr., has indicated he will not recommend providing matching funds, which could mean that persons who would like to be retrained but cannot afford it would go without training.

St. Clair says 17 courses have been given in Roanoke or are scheduled to be completed before June 30. They include courses in machine shop work, farm mechanics, welding, dairy hand shops, bricklaying, and nurses aids.

"More than 150 persons have completed the courses," St. Clair said, "and to my knowledge all but 1 have been placed in jobs." Participants have come from West Virginia and the extreme southwest portion of the State, he added. Average enrollment is about 15, but, depending on the subject, can be as high as 30.

[From the Norfolk (Va.), Pilot, Jan. 23, 1965]

KEEP THE JOB HUNTERS IN HARNESS

Amid all the Harrison administration's preaching of education to bolster the economy, it would be shameful if Virginia withdrew from the Federal Manpower Development and Training Act.

That salvage of human lives is supported by two Departments in Washington (Labor and Health, Education, and Welfare), two agencies at the State level (the State department of education and the Virginia Employment Commission), and at the grassroots by the local school boards.

The three-mule hitch of local, State, and Federal agencies has been pulling some 2,000 Virginians out of the mire of unemployment for the past 2 years, equipping the jobless with skills and even, in some cases, the ability to read and write, and setting them on the high road of self-support.

Federal funds have financed the training program since 1962. Starting June 30, 1965, the Federal money is scheduled to be reduced two-thirds, with the State and localities applying the other third. Congress may well decide to extend full Federal support, but meanwhile, there should be no doubt that, one way or another, this valuable program will continue, full force. Because the heavy equipment and lighter tools have already been purchased with Federal funds, Virginia could assure the program's operation by contributing as little as $100,000 a year. The dividends are many.

At Lynchburg, for instance, 28 unemployed persons graduated last June from a training program in radio mechanics requested by General Electric. They found 54 jobs waiting, ranging in salary from $160 to $80 a week.

At Crewe and in Wise County there are programs designed for school dropouts, the first such remedial schools in the country. New York educators have been studying them as a pattern for their own State.

Across Virginia some 60 programs are underway in 15 school divisions training the unemployed in 18 occupations. It is a highly flexible, entirely practical attack on unemployment. Each program is begun only after a survey to determine the availability of jobs and a sufficient force of unemployed. Then the resources of all three levels of government are brought to bear to train filling station operators, crab pickers, nurses aids, or whatever types of workers are in short supply in the area.

Last week some 23 trainees from Lynchburg journeyed to Washington to take the test for an FCC operator's license. On that first trial, 15 earned licenses, 6 of them with a first-class permit to operate a microwave system. Viewing such solid achievements, Governor Harrison will surely wish to allay the current uncertainties about the fate of the program. It has more than earned its keep.

OLYMPIA, WASH., *February 24, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower,
New Senate Office Building, Washington, D.C.:

The State board for vocational education urges your full support for Senate approval of S. 974. We favor continuation of Manpower Development and Training Act programs and the proposed 90/10 matching fund formula. However, continued 100-percent Federal financing is strongly urged.

H. N. MILLER,
Assistant Superintendent for Vocational Education.

CHARLESTON, W. VA., *February 25, 1965.*

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Manpower, Washington, D.C.:

Vocational educators in West Virginia are favorable to and urge support of amendments to Manpower Development and Training Act included in S. 974. The continuance and value of this training and retraining program has been recognized by testimony of our Gov. Hulett C. Smith before congressional committee. The new matching formula of 90-percent Federal funds to 10-percent State funds in cash or kind will make State financing easier to obtain. West

Virginia has long been recognized as a State with labor surplus areas, S. 974 would provide vocational educators with continued opportunity to train our people to meet occupational challenges without fear of boundary or lack of ability.

FRED W. EBERLE,
State Director Vocational Education.

THE STATE OF WISCONSIN,
STATE BOARD OF VOCATIONAL AND ADULT EDUCATION,
Madison, February 9, 1965.

Hon. JOSEPH S. CLARK,
Chairman, Subcommittee of the Senate Labor and Public Welfare Committee, Senate Office Building, Washington, D.C.

DEAR SIR: My attention has been called to bill S. 974 which was introduced on February 3 by you and Senator Pell. This bill proposes to amend the Manpower Development and Training Act of 1962. The enactment of this bill will enable Wisconsin to continue to develop training and retraining programs for unemployed workers in our State.

On-going programs which are funded by the State at the present time including welfare and education will require a substantial increase in State appropriations during the biennium beginning on July 1, 1965. It is doubtful if the State legislature will find it possible to appropriate funds to match Federal support for the manpower development and training program at the level now provided for in the Federal act.

The recent budget message presented to the State legislature by Governor Knowles did not include funding for the manpower development and training program because of the large State outlay which would be required under existing legislation. Governor Knowles, however, I am confident will recommend to the legislature funding provisions whereby the manpower development and training program might be continued under the conditions provided for in S. 974.

We hope, therefore, that your committee will support S. 974 and that its provisions may be enacted into law. Passage of this important legislation would enable us to continue training programs for thousands of unemployed workers in our State.

Sincerely yours,

C. L. GREIBER,
State Director, Vocational and Adult Education.

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh, *March 1, 1965.*

Hon. JOSEPH S. CLARK,
Chairman, Senate Subcommittee on Employment and Manpower, Washington, D.C.

DEAR SENATOR: Thank you for your recent telegram concerning my position on Senate bill 974, Amendments to the Manpower Development and Training Act of 1962.

I have discussed this with Mr. Henry E. Kendall, chairman of the Employment Security Commission of North Carolina, and members of the staff of the Commission. In view of our discussions, we do favor the continuation of Manpower Development and Training Act; we favor the amendments to the act; and, although we would favor the 90–10 matching basis, there are no funds in our budget for that purpose.

With kindest regards and best wishes, I am,

Sincerely yours,

DAN MOORE.

Manpower development and training programs approved for nonpublic agencies to Aug. 1, 1964

State	Project No.	Occupation	Facility	Clock hours	Number of trainees	Training cost	Starting date
Alabama	22	Stenographer (entry)	Northern Alabama College of Commerce, Huntsville.	[1] 1,374	60	$33,556	May 15, 1963
	31	Auto mechanic	Manpower Development and Training Center, Cordova.	480	12	5,087	Aug. 5, 1963
	32	Auto body repair	do	1,488	14	14,676	Do.
	211-1	Bricklayer (entry)	Tuskeegee Institute, Tuskeegee Institute, Ala.	1,586	40	47,997	June 1, 1964
	211-2	Carpentry (entry)	Tuskeegee Institute	1,586	40	55,352	Do.
	211-3	Farm machinery operator (entry)	do	1,586	40	49,507	Do.
	211-4	Meat processing (entry)	do	1,586	40	74,174	Do.
Arkansas	12b	Stenographer	Capital City Business College, Little Rock	540	50	22,416	Apr. 1, 1963
California	19	do	Humphrey's Business College, Stockton	910	20	10,501	Feb. 11, 1963
	33	do	Murphy Business College, North Hollywood	600	30	10,530	Dec. 17, 1962
	34	Key punch operator	Sawyer School of Business, Los Angeles	120	14	4,412	Dec. 3, 1962
	35	Clerk-typist	Sawyer School of Business	360	24	10,901	Dec. 10, 1962
	36	Stenographer	do	720	27	14,511	Do.
	54	Clerk-typist	Empire College of Commerce, Santa Rosa	[2] 420	50	11,750	Feb. 11, 1963
	55	do	Palo Alto Secretarial School	560	30	15,750	Do.
	74	Stenographer	Heald Business College, Sacramento	910	39	20,669	Apr. 1, 1963
	85	Typist	Sawyer School of Business	480	31	13,061	Apr. 20, 1963
	90	Clerk-typist	Burbank Business College	560	25	9,375	May 6, 1963
	91	Electronics technician	Solar Electrical School, Monrovia	1,530	26	38,400	Apr. 29, 1963
	94	Stenographer (refresher)	Heald Business College	525	25	8,043	May 13, 1963
	117	Electronics technician	Western Electric Institute, North Ridge	1,470	80	85,393	July 1, 1963
	204	Stenographer	Sawyer School of Business	780	24	13,322	Aug. 19, 1963
	216	Reproduction typist	Standard Business School, Santa Ana	720	40	29,849	Do.
	231	Stenographer	Heald Business College, Sacramento	910	40	19,952	Sept. 30, 1963
	232	Stenographer (refresher)	Heald Business College	525	25	7,829	Do.
	240	Electronics technician (canceled)	Western Electric Institute, North Ridge	1,470	63	67,397	Nov. 18, 1963
	249	Clerk-typist	Palo Alto Secretarial School	560	30	15,480	Do.
	250	Secretary	Empire College of Commerce, Santa Rosa	910	15	8,100	Do.
	251	Salesperson (general)	Heald Business College, San Francisco	105	50	5,313	Nov. 4, 1963
	254	Secretary	Burbank Business College, Santa Rosa	910	15	8,720	Jan. 20, 1964
	270	Stenographer	Humphrey's Business College, Stockton	910	40	22,964	Dec. 9, 1963
	286	Salesperson	Heald Business College, San Francisco	105	50	5,052	Feb. 3, 1964
Colorado	206	Stenographer	Blair Business College, Colorado Springs	1,200	18	14,310	Jan. 6, 1964
	213	do	Blair Business College	1,200	25	19,875	June 8, 1964
	217	Clerk-typist	Colorado Institute of Business Administration, Boulder.	480	25	8,750	June 1, 1964
Connecticut	41	Cook (entry)	Culinary Institute of America, New Haven	480	15	12,370	Jan. 14, 1963
	42	Waiter, formal	Culinary Institute of America	[2] 240	30	12,805	Do.
	57	Cook (entry)	do	[2] 480	30	20,760	May 20, 1963
	58	Waiter, formal	do	[2] 240	30	12,085	Apr. 15, 1963

See footnotes at end of table.

Manpower development and training programs approved for nonpublic agencies to Aug. 1, 1964—Continued

State	Project No.	Occupation	Facility	Clock hours	Number of trainees	Training cost	Starting date
Illinois	11	Automatic screw machine operator	Allied Institute of Technology, Chicago	[2] 720	60	$18,544	Feb. 4, 1963
	13	Welder, arc, heliarc	Greer Shop Training, Inc., Chicago	480	100	63,360	Feb. 4, 1963 Mar. 4, 1963 Mar. 18, 1963 Apr. 1, 1963
	14	Wirer, solderer	Coyne Electrical School, Midway Technical School, Chicago Institute of Technology, Chicago.	240	30	5,400	Feb. 4, 1963
	18	do	Coyne Electrical School, American Institute of Engineering & Technology, Chicago.	240 (3 secs.)	90	16,200	Feb. 19, 1963
	19	Automatic screw machine operator (entry).	Allied Institute of Technology, Chicago	720	34	25,920	Mar. 18, 1963
	26	Automobile mechanic (entry)	Greer Shop Training, Inc., Chicago	1,440	30	31,536	Do.
	27	Automobile body repairman (entry)	Greer Shop Training, Inc	1,440	30	30,240	Mar. 11, 1963
	28	Automobile painter (entry)	do	600	30	13,680	Do.
	29	Salesperson, auto parts (entry)	do	1,440	30	31,536	Do.
	31	Wirer, solderer	American Institute of Engineering & Technology, Coyne Electrical School	240	132	32,400	Apr. 1, 1963
	34	Systems testing laboratory technician	American Institute of Engineering & Technology, Coyne Electrical School, Midway Technical School.	[1] 1,440	120	121,824	Apr. 15, 1963 May 27, 1963 June 24, 1963
	35	Psychiatric aid I	State research hospital Galesburg	480	49	19,594	Apr. 1, 1963
	38	Automatic screw machine operator	Allied Institute of Technology	720	33	25,920	Apr. 29, 1963
	39	do	Allied Institute of Technology, Chicago	720	159	137,376	Do.
	40	Wirer, solderer (electronics)	American Institute of Engineering & Technology, Coyne Electrical School, Chicago.	240	343	61,200	Apr. 20, 1963
	41	Automobile mechanic	Greer Shop Training, Inc., Chicago	1,440	30	31,536	Apr. 22, 1963
	42	Automobile body repairman, metal	Greer Shop Training, Inc	1,440	30	30,240	Do.
	43	Salesperson, automobile parts	do	1,440	30	31,536	Do.
	49	Automobile mechanic (regular)	do	1,440	30	31,536	Do.
	51	Welder, arc, heliarc	American Institute of Engineering & Technology	780	26	28,359	May 13, 1963
	66	Clerk-stenographer	Freeman Business College, Forest Park	960	40	24,960	June 17, 1963
	67	Shirt presser	Scott's Training Center, Chicago	150	250	68,257	June 24, 1963
	68	Sewing machine operator, style garment (entry).	Metropolitan School of Tailoring, Chicago	210	180	43,740	Do.
	69	do	Metropolitan School of Tailoring	210	30	8,505	Do.
	72	System-testing laboratory technician	American Institute of Engineering & Technology, Coyne Electrical School, Midway Technical School, Chicago.	1,440	37	40,608	Do.
	74	Shirt presser	Scott's Training Center, Chicago	150	30	279	Do.
	76	Automobile mechanic (entry)	Greer Shop Training, Inc., Chicago	1,440	25	38,880	Do.
	203	do	Midway Technical School	[1] 1,560	227	162,699	July 29, 1963

	205	Welder, arc, heliarc (entry)	Greer Shop Training, Inc.	780	36	39,031	Aug. 12, 1963
	216	Automobile body repairman, metal (entry).	do	1,440	30	30,240	Sept. 30, 1963
	217	do	American Institute of Engineering & Technology	1,440	30	30,240	Do.
	219	Automobile mechanic (entry)	Midway Technical School, Chicago	1,440	120	155,520	Do.
	220	do	Automotive Technical Institute, Chicago	1,440	30	38,880	Do.
	221	Salesperson, automobile parts (entry)	Greer Shop Training, Inc., Chicago	1,440	15	38,880	Do.
	224	Systems-testing laboratory technician	American Institute of Engineering & Technology, Coyne Electrical School, Midway Technical School, Chicago.	1,440	59	63,618	Nov. 4, 1963
	236	Medical assistant (entry) (certified laboratory assistant).	Little Co. of Mary Hospital, Inc., School of Certified Laboratory Assistants, Chicago (special youth project).	2,000	16	21,000	Nov. 18, 1963
	237	Welder, arc, heliarc	American Institute of Engineering & Technology	780	32	30,186	Nov. 25, 1963
	238	Welder, arc (entry)	Greer Shop Training, Inc	780	30	32,526	Dec. 9, 1963
	247	do	American Institute of Engineering & Technology	[2] 780	67	72,642	Jan. 20, 1964
	248	do	Greer Shop Training, Inc	[2] 780	66	71,558	Feb. 3, 1964
	249	Automobile mechanic (entry)	Automotive Technical Institute, Chicago	1,440	30	38,880	Jan. 20, 1964
	260	Machine operator, multioccupational	Allied Institute of Technology, Chicago (special youth project).	[3] 1,440	222	402,637	June 29, 1964
	261	Machine tool operator	Allied Institute of Technology	1,440	50	90,684	May 4, 1964
Iowa	5	Upholsterer II	Fles-Steel Industries, Dubuque	600	30	27,758	Jan. 14, 1963
	6	Clerk-stenographer	Nettleton Business Training College, Sioux City	1,200	15	11,207	Feb. 4, 1963
	201	Beauty operator	Stewart's School of Hairstyling & Cosmetology, Sioux City.	2,100	5	2,457	Sept. 16, 1963
	205	Treatment plant maintenance and management course.	Water & Sewerage Technical School, Neosho	1,020	11	0	Sept. 23, 1963
	206	Clerk-stenographer	Nettleton Business Training College	1,200	20	15,000	Oct. 14, 1963
	215	Meatcutter (entry)	Bud's Meat Market, Sioux City	[1] 720	30	51,937	Jan. 13, 1964
Maine	41	Top stitcher	Songo Shoe Corp., Portland	160	12	4,154	July 8, 1963
Maryland	211	Automobile service station mechanic	Dorchester Automotive Service, Cambridge	612	7	11,479	May 12, 1964
Massachusetts	2	Dental assistant	Tufts University School of Dental Medicine, Boston.	1,904	12	1,380	Dec. 26, 1962
	211	do	Tufts University School of Dental Medicine	1,253	20	5,729	Sept. 3, 1963
	229	Oil burner installation serviceman (entry).	Massachusetts Trades Shops School, Boston	350	18	5,372	Nov. 4, 1963
	238	Clerk-typist	Northampton Commercial College, Northampton	450	25	9,675	Nov. 18, 1963
	258	Oil burner installation serviceman (entry).	Massachusetts Trades Shops School	[2] 350	40	11,391	Feb. 3, 1964
Michigan	41	Screw machine setup man, automatic	Tompkins Products Co., Detroit	990	20	39,564	Apr. 29, 1963
	202	Nurse, practical, licensed	Shapero School of Nursing, Detroit	1,976	20	40,783	Sept. 3, 1963
	225	Screw machine operator, automatic	Tompkins Products Co	2,210	39	88,360	Dec. 23, 1963
	275	Multioccupational	Michigan Catholic Conference Job Training Center, Lansing.	[4] 1,500	150	171,589	May 11, 1964
Minnesota	24	Machine operator, general	Dunwoody Industrial Institute, Minneapolis	780	28	21,150	Apr. 15, 1963
	28	Sheet metal fabricating machine operator.	Dunwoody Industrial Institute	780	15	10,575	Apr. 22, 1963
	209	Various entry occupations	Rehabilitation center, Minneapolis	180	100	61,124	Oct. 7, 1963

See footnotes at end of table.

Manpower development and training programs approved for nonpublic agencies to Aug. 1, 1964—Continued

State	Project No.	Occupation	Facility	Clock hours	Number of trainees	Training cost	Starting date
Missouri	44	Treatment plant maintenance and management course.	Water & Sewerage Technical School, Neosho	1,560	60	$93,660	June 10, 1963
	235	do	Water & Sewerage Technical School	1,560	50	77,000	Feb. 3, 1964
	246	Office machine serviceman (entry)	Office Appliance Machine Institute, Inc., Springfield.	[5] 1,560	50	44,162	Jan. 27, 1964
Montana	1	Stenographer	Billings Business College, Billings	1,080	15	5,588	Nov. 26, 1962
	22	Clerk-stenographer	Great Falls Commercial College, Great Falls	720	20	7,750	May 13, 1963
	203	Accounting clerk	Great Falls Commercial College	948	15	7,726	Oct. 28, 1963
Nebraska	203	Treatment plant maintenance and management course.	Water & Sewerage Technical School, Neosho	1,560	4	0	Sept. 23, 1963
New Hampshire	3	Clerk-stenographer	Concord Commercial College, Concord	500	20	6,266	Apr. 13, 1963
	5	Clerk-typist	Concord Commercial College	500	20	6,279	Apr. 7, 1963
	202	Clerk-stenographer	do	500	15	5,131	Oct. 21, 1963
New Mexico	14	Welder (supplemental skill)	Plumber & Pipefitters' JAC School, Roswell	480	15	2,776	Oct. 8, 1962
New York	218	Nurse, practical, licensed	Health occupation center, Mineola		174	332,983	Aug. 19, 1963
	247	Automobile mechanic (entry)	Inholz Bldg., Middletown	732	30	19,919	Jan. 6, 1964
	249	Automobile service station attendant	Sinclair Service Station, Binghamton	210	27	5,672	Dec. 9, 1963
	276	Electrical appliance serviceman	Madison area project center, Syracuse	1,000	24	56,450	May 4, 1964
North Dakota	14	Automobile mechanic (entry)	Hanson Mechanic Trade School, Fargo	1,820	10	23,210	July 8, 1963
	15	Clerk, general, office	Dakota Business College, Fargo	[2] 1,760	20	9,444	July 22, 1963
	206	Water sewerage plant laboratory technician.	Water & Sewerage Technical School, Neosho	1,560	1	0	Sept. 23, 1963
	207	Clerk-stenographer	Minot Business College, Minot	1,140	2	830	Oct. 7, 1963
	209	do	Minot Business College	1,140	1	415	Oct. 31, 1963
	211	do	do	1,140	2	830	Nov. 25, 1963
	212	Automobile body repairman (metal) (entry).	Hanson Mechanic Trade School, Fargo	840	1	642	Do.
	213	Automobile mechanic (entry)	Hanson Mechanic Trade School	1,190	3	2,473	Do.
	216	Automobile service station attendant	do	[1] 560	60	35,997	Feb. 3, 1964
	219	Automobile mechanic	do	1,190	7	5,768	Jan. 6, 1964
	220	Bookkeeper II	Minot Business College	1,440	1	470	Do.
	221	Clerk-stenographer	do	1,052	2	830	Do.
	223	Automobile mechanic (entry)	Hanson Mechanic Trade School	1,820	2	2,322	Feb. 3, 1964
	224	Bookkeeper II	Aakers Business College, Grand Forks	1,035	1	430	Do.

Ohio	230	Combination welder	Hobart Welding School, Troy	[5] 720	40	31,270	Oct. 7, 1963
Pennsylvania	8	Operating room technician	St. John's Hospital, Pittsburgh	1,400	30	30,868	Nov. 5, 1963
	52	Instrument repairman (entry)	Central Dauphin Joint School, Harrisburg	480	15	2,776	Oct. 8, 1962
	54	Manager, Department, retail trade	Cambria-Rowe Business College, Johnstown	1,040	15	5,200	Nov. 15, 1962
	58	Clerk-stenographer (refresher)	Cambria-Rowe	600	15	3,107	Oct. 15, 1962
	101	Clerk-stenographer	do	600	30	6,214	Feb. 18, 1963
	213	Key punch operator	Business Machine School, Philadelphia	120	50	9,425	Sept. 3, 1963
	216	Stenographer	Columbia Institute, Philadelphia	600	100	44,610	Sept. 30, 1963
	224	Automobile service station attendant	Spring Garden, Philadelphia	600	100	54,292	Do.
	226	Clerk-typist	Cambria-Rowe Business College (special youth project).	720	36	9,774	Oct. 14, 1963
	241	Machine operator, general	Ajax Corp., Sayreboro School District, Sayre	1,504	40	35,590	Jan. 13, 1964
	250	Surgical-technical (medical service)	St. John's Hospital, Pittsburgh	960	20	19,158	Feb. 24, 1964
	268	Medical laboratory assistant	Polyclinic Hospital, Harrisburg	[2] 2,040	23	23,812	July 6, 1964
Puerto Rico	35	Electronic component assembler and inspector.	Milles Engineering, Inc., Las Marias	1,920	30	22,460	Mar. 11, 1963
	216	Dairyman II, agriculture	Carlos Cabrea's Dairy Farm, Isabela	320	35	5,121	Sept. 23, 1963
	218	do	Lorenzo Viscarrondo's Dairy Farm, Toa Aho	320	12	2,775	Sept. 16, 1963
	219	Electronic component assembler and inspector.	Milles Engineering, Inc	1,920	25	22,872	July 9, 1963
	256	Dairyman (agriculture)	Carlos Nevarez's Dairy Farm, Naguabo	320	20	4,826	Jan. 13, 1964
Rhode Island	J-1	Jacquard loomfixer	Standish Mills, Inc., Esmond	96	10	1,010	Jan. 6, 1964
South Dakota	201	Water and sewerage plant laboratory technician.	Water & Sewerage Technical School, Neosho	720	1	0	Sept. 23, 1963
Utah	205	Stenographer (clerical)	LDS Business College, Salt Lake City	1,056	30	14,500	Jan. 6, 1964
Vermont	201	Licensed practical nurse	Thompson School of Practical Nursing, Brattleboro.	[2] 2,000	24	18,371	Dec. 9, 1963
Wyoming	2	Automobile repairman (entry)	Jones Body & Paint Shop, Cheyenne	40	23	28,618	Mar. 18, 1963
	204	Automobile repairman (metal)	Jones Body & Paint Shop	2,000	30	36,070	Apr. 6, 1964
Total [1]					6,360	4,904,410	

[1] 3 seconds.
[2] 2 seconds.
[3] 5 seconds.
[4] 6 seconds.
[5] 4 seconds.
[6] Cumulative to Aug. 1, 1964.

NOTE—States participating, 27; total number of projects, 155.

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LEGISLATIVE HISTORY

Public Law 89-15
S. 974

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INDEX AND SUMMARY OF S. 974

Feb. 3, 1965	Sen. Clark introduced and discussed S. 974 which was referred to the Senate Labor and Public Welfare Committee. Print of bill and remarks of Sen. Clark.
	Rep. Holland introduced and discussed H. R. 4257 and Rep. Powell introduced H. R. 4271 which were referred to House Education and Labor Committee. Print of bills and remarks of Rep. Holland.
Feb. 24, 1965	House subcommittee voted to report H. R. 4257 and H. R. 4271.
Mar. 2, 1965	Senate subcommittee voted to report S. 974.
Mar. 4, 1965	House committee voted to report H. R. 4257.
Mar. 5, 1965	Senate committee voted to report S. 974.
Mar. 11, 1965	Senate committee granted permission to file report.
Mar. 12, 1965	Senate committee reported S. 974 with amendments. S. Report No. 123. Print of bill and report.
Mar. 15, 1965	House committee reported H. R. 4257 with amendment. H. Report No. 170. Print of bill and report.
Mar. 16, 1965	Senate passed S. 974 with amendments.
Mar. 25, 1965	House Rules Committee granted an open rule on H. R. 4257.
Mar. 26, 1965	House Rules Committee reported resolution for consideration of H. R. 4257. H. Res. 305, H. Report No. 208. Print of resolution and report.
Apr. 1, 1965	House passed S. 974 with amendment (substituting the language of H. R. 4257 as amended).
	H. R. 4257 tabled due to passage of S. 974.
Apr. 5, 1965	Both Houses appointed conferees.
Apr. 9, 1965	Senate received and agreed to the conference report.

INDEX AND SUMMARY OF S. 974, cont'd

Apr. 12, 1965	House received conference report. H. Report No. 231. Print of report.
Apr. 13, 1965	House agreed to conference report.
Apr. 26, 1965	Approved: Public Law 89-15.

Hearings: S. Labor and Public Welfare Committee on S. 974

H. Education and Labor Committee on H. R. 4257 and H. R. 4271.

DIGEST OF PUBLIC LAW 89-15

MANPOWER ACT OF 1965.
Amends the Manpower Development and Training Act of 1962, as amended, to extend the termination date for the training program from June 30, 1966, to June 30, 1969. Repeals the training provisions of the Area Redevelopment Act and instead authorizes training under this Act in areas designated as depressed areas, beginning July 1, 1965. Increases the maximum period during which persons can receive training from one year to two years and provides additional training allowances and benefits. Extends, expands, and authorizes additional experimental and demonstration programs.

S. 974

IN THE SENATE OF THE UNITED

FEBRUARY 3, 196

was read twice and referred to the Committee on

A BILL

E[illegible] ment

89TH CONGRESS
1ST SESSION

S. 974

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1965

Mr. CLARK (for himself and Mr. PELL) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Manpower Act of 1965".
4 SEC. 2. (a) Section 102 (5) of the Manpower Develop-
5 ment and Training Act, as amended (hereinafter referred
6 to as the "Act"), is amended by adding a comma after the
7 word "arrange" and inserting "through grants or contracts,"
8 immediately following the comma.
9 (b) Section 102 of the Act is further amended by adding
10 new paragraphs (6) and (7) at the end thereof to read as
11 follows:

1 "(6) establish a program of experimental, develop-
2 mental, demonstration, and pilot projects, through grants
3 or contracts, with public or private nonprofit agencies,
4 for the purpose of improving techniques and demonstrat-
5 ing the effectiveness of specialized methods in meeting
6 the manpower, employment, and training problems of
7 worker groups such as the long-term unemployed, dis-
8 advantaged youth, displaced older workers, the handi-
9 capped, members of minority groups, and other similar
10 groups. In carrying out this subsection the Secretary
11 of Labor shall, where appropriate, consult with the
12 Secretaries of Health, Education, and Welfare, and
13 Commerce, and the Director of the Office of Economic
14 Opportunity. Where programs under this section re-
15 quire institutional training, appropriate arrangements for
16 such training shall be agreed to by the Secretary of
17 Labor and the Secretary of Health, Education, and Wel-
18 fare. He shall also seek the advice of consultants with
19 respect to the standards governing the adequacy and
20 design of proposals, the ability of applicants, and the
21 priority of projects in meeting the objectives of the Act;
22 "(7) stimulate and assist, in cooperation with in-
23 terested agencies both public and private, job develop-
24 ment programs, through on-the-job training and other
25 suitable methods, that will serve to expand employment

1 by the filling of those service and related needs which
2 are not now being met because of lack of trained work-
3 ers or other reasons affecting employment or opportuni-
4 ties for employment."

5 SEC. 3. Sections 103 and 104 are renumbered 105 and
6 106 and new sections 103 and 104 are added to read as
7 follows:

8 "LABOR MOBILITY DEMONSTRATION PROJECTS

9 "SEC. 103. (a) During the period ending June 30,
10 1967, the Secretary of Labor shall develop and carry out,
11 in a limited number of geographical areas, pilot projects
12 designed to assess or demonstrate the effectiveness in reduc-
13 ing unemployment of programs to increase the mobility of
14 unemployed workers by providing assistance to meet their
15 relocation expenses. In carrying out such projects the Secre-
16 tary may provide such assistance, in the form of grants or
17 loans, or both, only to involuntarily unemployed individuals
18 who cannot reasonably be expected to secure full-time em-
19 ployment in the community in which they reside, have bona
20 fide offers of employment (other than temporary or seasonal
21 employment), and are deemed qualified to perform the work
22 for which they are being employed.

23 "(b) Loans or grants provided under this section shall
24 be subject to such terms and conditions as the Secretary shall
25 prescribe, with loans subject to the following limitations:

1 "(1) there is reasonable assurance of repayment of
2 the loan;
3 "(2) the credit is not otherwise available on rea-
4 sonable terms from private sources or other Federal,
5 State, or local programs;
6 "(3) the amount of the loan, together with other
7 funds available, is adequate to assure achievement of the
8 purposes for which the loan is made;
9 "(4) the loan bears interest at a rate not less than
10 (A) a rate determined by the Secretary of the Treasury,
11 taking into consideration the average market yield on
12 outstanding Treasury obligations of comparable maturity,
13 plus (B) such additional charge, if any, toward covering
14 other costs of the program as the Secretary may deter-
15 mine to be consistent with its purposes; and
16 "(5) the loan is repayable within not more than
17 ten years.
18 "(c) Of the funds appropriated for a fiscal year to
19 carry out this Act, not more than $5,000,000 may be used
20 for the purposes of this section.
21 "TRAINEE BONDING DEMONSTRATION PROJECTS
22 "SEC. 104. During the period ending June 30, 1967, the
23 Secretary shall develop and carry out experimental and
24 demonstration projects to assist in the placement of persons
25 seeking employment through a public employment office

1 who have successfully completed or participated in a federally
2 assisted or financed training, counseling, work training, or
3 work experience program and who, after appropriate coun-
4 seling, have been found by the Secretary to be qualified and
5 suitable for the employment in question, but to whom em-
6 ployment is or may be denied for reasons other than ability
7 to perform, including difficulty in securing bonds for indemni-
8 fying their employers against loss from the infidelity, dis-
9 honesty, or default of such persons. In carrying out these
10 projects the Secretary may make payments to or contracts
11 with employers or institutions authorized to indemnify em-
12 ployers against such losses. Of the funds appropriated
13 for fiscal years ending June 30, 1966, and June 30, 1967,
14 not more than $200,000 and $300,000, respectively, may
15 be used for the purpose of carrying out this section."

16 SEC. 4. Section 202 (i) of the Act is amended by strik-
17 ing the words "and such persons shall be eligible for training
18 allowances for not to exceed an additional twenty weeks.",
19 and by changing the comma after the word "Act" to a
20 period.

21 SEC. 5. (a) Section 203 (a) of the Act is amended as
22 follows:

23 (1) Amend the second sentence thereof to read as
24 follows: "Such payments shall be made for a period not

1 exceeding one hundred and four weeks, and the basic
2 amount of any such payment in any week for persons
3 undergoing training, including uncompensated employer-
4 provided training, shall not exceed $10 more than the
5 amount of the average weekly unemployment compen-
6 sation payment (including allowances for dependents)
7 for a week of total unemployment in the State making
8 such payments during the most recent four-calendar-
9 quarter period for which such data are available: *Pro-*
10 *vided,* That the basic amount of such payments may be
11 increased by $5 a week for each dependent over two up
12 to a maximum of four additional dependents: *Provided*
13 *further,* That in any week an individual who, but for
14 his training, would be entitled to unemployment com-
15 pensation in excess of his total allowance, including
16 payments for dependents, shall receive an allowance in-
17 creased by the amount of such excess.";

18 (2) Amend the second paragraph thereof to read as
19 follows:

20 "With respect to any week for which a person receives
21 unemployment compensation under title XV of the Social
22 Security Act or any other Federal or State unemployment
23 compensation law which is less than the total training allow-
24 ance, including payments for dependents, provided for by the
25 preceding paragraph, a supplemental training allowance

1 may be paid to a person eligible for a training allowance
2 under this Act. The supplemental training allowance shall
3 not exceed the difference between his unemployment compen-
4 sation and the training allowance provided by the preceding
5 paragraph.";

6 (3) Insert the words "under the training program"
7 after "compensated hours per week" in the third para-
8 graph of such subsection;

9 (4) In lieu of the fourth paragraph of such sub-
10 section insert the following:

11 "The training allowance of a person engaged in training
12 under section 204 or 231 shall not be reduced on account
13 of employment (other than employment under an on-the-job
14 training program under section 204) which does not exceed
15 twenty hours per week, but shall be reduced in an amount
16 equal to his full earnings for hours worked in excess of twenty
17 hours per week."

18 (b) Section 203 (b) of the Act is amended by inserting
19 a comma after the word "transportation" where it first
20 occurs, striking out the language after that word and before
21 the word "*Provided*" and inserting the following in lieu
22 thereof: "and when such training is provided in facilities
23 which are not within commuting distance of the trainee's
24 regular place of residence, subsistence expenses for separate
25 maintenance of the trainee:".

1 (c) Section 203 (c) of the Act is amended as follows:
2 (1) Strike the words "not less than" and insert
3 "at least" in lieu thereof;
4 (2) Insert a colon after the words "gainful employ-
5 ment", strike everything in the first sentence after the
6 words "gainful employment", and insert the following
7 in lieu thereof: "*Provided,* That they are not members
8 of a family or a household in which the head of the
9 family or the head of the household as defined in the
10 Internal Revenue Code of 1954 is employed.";
11 (3) Amend the last sentence to read as follows:
12 "The number of youths under the age of twenty-two
13 who are receiving training allowances shall, except for
14 such adjustments as may be necessary for effective man-
15 agement of programs under this section, not exceed 25
16 per centum of all persons receiving such allowances
17 (or who would be entitled thereto but for the receipt
18 of unemployment compensation)."
19 (d) Section 203 (d) is amended to read as follows:
20 "For the fiscal year ending June 30, 1966, and for each
21 fiscal year thereafter, Federal payments for training allow-
22 ances under this section, or as reimbursement for unemploy-
23 ment compensation under subsection (h), shall be paid in
24 accordance with the provisions of section 241."
25 (e) Section 203 (h) (2) of the Act is amended by strik-

1 ing everything in the first sentence after the term "1965"
2 and inserting in lieu thereof "and for 90 per centum of the
3 amount of such benefits paid thereafter."

4 SEC. 6. Section 208 is repealed.

5 SEC. 7. Section 231 of the Act is amended by striking
6 the third sentence and inserting the following in lieu thereof:
7 "For the fiscal year ending June 30, 1965, Federal pay-
8 ments under this part shall be 100 per centum of the cost of
9 carrying out the agreement, and for the fiscal year ending
10 June 30, 1966, and for each fiscal year thereafter, Federal
11 payments under this part shall be made in accordance with
12 the provisions of section 241."

13 SEC. 8. Title II of the Act is amended by adding part C
14 to the end thereof to read as follows:

15 "PART C—FEDERAL PAYMENTS FOR TRAINING AND
16 TRAINING ALLOWANCES

17 "SEC. 241. During the fiscal year ending June 30,
18 1966, and for each fiscal year thereafter, Federal payments
19 for training allowances and for reimbursements for unem-
20 ployment compensation under section 203 and for training
21 programs under section 231 shall be limited to 90 per centum
22 of the total of all such costs. Expenditures from non-Federal
23 sources may be made in cash or kind, fairly evaluated, in-
24 cluding but not limited to plant, equipment, and services."

1 SEC. 9. Title II of the Act is amended by adding part
2 D to the end thereof to read as follows:

3 "PART D—REDEVELOPMENT AREAS

4 "SEC. 251. (a) Notwithstanding any limitation in the
5 other provisions of this Act, the Secretaries of Labor and
6 of Health, Education, and Welfare, in accordance with their
7 respective responsibilities under parts A and B of this title,
8 are authorized to provide a supplementary program of train-
9 ing and training allowances, in consultation with the Sec-
10 retary of Commerce, for unemployed and underemployed
11 persons residing in areas designated as redevelopment areas
12 under the Area Redevelopment Act. Such program shall,
13 insofar as practicable, be carried out by the Secretaries of
14 Labor and of Health, Education, and Welfare in accordance
15 with the provisions otherwise applicable to programs under
16 this Act and with their respective functions under those
17 provisions, except that—

18 "(1) the Secretary of Labor, in consultation with
19 the Secretary of Commerce, shall determine the needs
20 and the eligibility of persons for training under this
21 section;

22 "(2) the Secretaries of Labor and of Health, Edu-
23 cation, and Welfare shall, each with respect to his
24 functions under this section, prescribe jointly with the
25 Secretary of Commerce such rules and regulations as

1 may be necessary to carry out the purposes of this
2 section; and
3 "(3) no funds available under this section shall
4 be generally allocated to any State pursuant to any
5 agreement entered into under this Act, nor shall any
6 State or local matching funds be generally required,
7 nor shall any apportionment of funds be made among
8 the several States, except as the Secretary of Labor
9 or the Secretary of Health, Education, and Welfare,
10 as the case may be, jointly with the Secretary of Com-
11 merce, may deem appropriate, giving adequate con-
12 sideration to the relative needs of the eligible areas.
13 "(b) There are hereby authorized to be appropriated
14 for each fiscal year such amounts as may be necessary to
15 carry out this section.
16 "(c) The expiration or termination of any other part
17 of this Act shall not terminate the authority conferred by
18 this section unless an Act of Congress explicitly so provides."
19 SEC. 10. Section 302 of the Act is amended by striking
20 the word "and" following "the Smith-Hughes Vocational
21 Education Act," inserting a comma in lieu thereof, and in-
22 serting "and the Vocational Education Act of 1963," fol-
23 lowing "the Vocational Education Act of 1946."
24 SEC. 11. Section 304 is amended to read as follows:
25 "SEC. 304. For the purpose of carrying out this Act

1 there are hereby authorized to be appropriated for the fiscal
2 year ending June 30, 1966, and for each fiscal year there-
3 after such amounts as may be necessary."

4 SEC. 12. The following subsection is added to section
5 305 of the Act to read as follows:

6 "(e) The costs of all training programs approved in any
7 fiscal year, including the total cost of training allowances for
8 such programs, may be paid from funds appropriated for
9 such purposes for that fiscal year; and the amount of the
10 Federal payment shall be computed on the basis of the per
11 centum requirement in effect at the time such programs are
12 approved: *Provided,* That funds appropriated for the fiscal
13 year ending June 30, 1966, may be expended for training
14 programs approved under this Act prior to July 1, 1965, and
15 expenditures for such purposes shall be subject to the match-
16 ing requirements in effect at the time such programs were
17 approved."

18 SEC. 13. Sections 309 (a) and 309 (b) are both amended
19 by striking "Prior to March 1, 1963, and again prior to April
20 1, 1964, April 1, 1965, and April 1, 1966" and inserting in
21 lieu thereof: "Prior to April 1 in each year."

22 SEC. 14. Title III is amended by repealing section 310.

89TH CONGRESS
1ST SESSION

S. 974

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. CLARK and Mr. PELL

FEBRUARY 3, 1965

Read twice and referred to the Committee on Labor and Public Welfare

89TH CONGRESS
1ST SESSION

H. R. 4257

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1965

Mr. HOLLAND introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Manpower Act of 1965".
4 SEC. 2. (a) Section 102 (5) of the Manpower Develop-
5 ment and Training Act, as amended (hereinafter referred
6 to as the "Act"), is amended by adding a comma after the
7 word "arrange" and inserting "through grants or contracts,"
8 immediately following the comma.
9 (b) Section 102 of the Act is further amended by
10 adding new paragraphs (6) and (7) at the end thereof to
11 read as follows:

1 "(6) establish a program of experimental, develop-
2 mental, demonstration, and pilot projects, through grants
3 or contracts, with public or private nonprofit agencies,
4 for the purpose of improving techniques and demonstrat-
5 ing the effectiveness of specialized methods in meeting
6 the manpower, employment, and training problems of
7 worker groups such as the long-term unemployed, dis-
8 advantaged youth, displaced older workers, the handi-
9 capped, members of minority groups, and other similar
10 groups. In carrying out this subsection the Secretary
11 of Labor shall, where appropriate, consult with the Sec-
12 retaries of Health, Education, and Welfare, and Com-
13 merce, and the Director of the Office of Economic
14 Opportunity. Where programs under this section re-
15 quire institutional training, appropriate arrangements for
16 such training shall be agreed to by the Secretary of
17 Labor and the Secretary of Health, Education, and
18 Welfare. He shall also seek the advice of consultants
19 with respect to the standards governing the adequacy
20 and design of proposals, the ability of applicants, and
21 the priority of projects in meeting the objectives of the
22 Act;

23 "(7) stimulate and assist, in cooperation with inter-
24 ested agencies both public and private, job development
25 programs, through on-the-job training and other suitable

1 methods, that will serve to expand employment by the
2 filling of those service and related needs which are not
3 now being met because of lack of trained workers or
4 other reasons affecting employment or opportunities for
5 employment."

6 SEC. 3. Sections 103 and 104 are renumbered 105 and
7 106 and new sections 103 and 104 are added to read as
8 follows:

9 "LABOR MOBILITY DEMONSTRATION PROJECTS

10 "SEC. 103. (a) During the period ending June 30,
11 1967, the Secretary of Labor shall develop and carry out,
12 in a limited number of geographical areas, pilot projects
13 designed to assess or demonstrate the effectiveness in reduc-
14 ing unemployment of programs to increase the mobility of
15 unemployed workers by providing assistance to meet their
16 relocation expenses. In carrying out such projects the Sec-
17 retary may provide such assistance, in the form of grants or
18 loans, or both, only to involuntarily unemployed individuals
19 who cannot reasonably be expected to secure full-time em-
20 ployment in the community in which they reside, have bona
21 fide offers of employment (other than temporary or seasonal
22 employment), and are deemed qualified to perform the work
23 for which they are being employed.

24 "(b) Loans or grants provided under this section
25 shall be subject to such terms and conditions as the Secretary

1 shall prescribe, with loans subject to the following limita-
2 tions:
3 "(1) there is reasonable assurance of repayment of
4 the loan;
5 "(2) the credit is not otherwise available on rea-
6 sonable terms from private sources or other Federal,
7 State, or local programs;
8 "(3) the amount of the loan, together with other
9 funds available, is adequate to assure achievement of the
10 purposes for which the loan is made;
11 "(4) the loan bears interest at a rate not less than
12 (A) a rate determined by the Secretary of the Treas-
13 ury, taking into consideration the average market yield
14 on outstanding Treasury obligations of comparable ma-
15 turity, plus (B) such additional charge, if any, toward
16 covering other costs of the program as the Secretary
17 may determine to be consistent with its purposes; and
18 "(5) the loan is repayable within not more than
19 ten years.
20 "(c) Of the funds appropriated for a fiscal year to carry
21 out this Act, not more than $5,000,000 may be used for
22 the purposes of this section.
23 "TRAINEE BONDING DEMONSTRATION PROJECTS
24 "SEC. 104. During the period ending June 30, 1967,
25 the Secretary shall develop and carry out experimental and

1 demonstration projects to assist in the placement of persons
2 seeking employment through a public employment office who
3 have successfully completed or participated in a federally
4 assisted or financed training, counseling, work training, or
5 work experience program and who, after appropriate counsel-
6 ing, have been found by the Secretary to be qualified and
7 suitable for the employment in question, but to whom em-
8 ployment is or may be denied for reasons other than ability
9 to perform, including difficulty in securing bonds for indem-
10 nifying their employers against loss from the infidelity, dis-
11 honesty, or default of such persons. In carrying out these
12 projects the Secretary may make payments to or contracts
13 with employers or institutions authorized to indemnify em-
14 ployers against such losses. Of the funds appropriated for
15 fiscal years ending June 30, 1966, and June 30, 1967, not
16 more than $200,000 and $300,000, respectively, may be
17 used for the purpose of carrying out this section."

18 SEC. 4. Section 202 (i) of the Act is amended by strik-
19 ing the words "and such persons shall be eligible for training
20 allowances for not to exceed an additional twenty weeks.",
21 and by changing the comma after the word "Act" to a
22 period.

23 SEC. 5. (a) Section 203 (a) of the Act is amended as
24 follows:

1 (1) Amend the second sentence thereof to read as
2 follows: "Such payments shall be made for a period not
3 exceeding one hundred and four weeks, and the basic
4 amount of any such payment in any week for persons
5 undergoing training, including uncompensated employer-
6 provided training, shall not exceed $10 more than the
7 amount of the average weekly unemployment compen-
8 sation payment (including allowances for dependents)
9 for a week of total unemployment in the State making
10 such payments during the most recent four-calendar-
11 quarter period for which such data are available:
12 *Provided,* That the basic amount of such payments may
13 be increased by $5 a week for each dependent over two
14 up to a maximum of four additional dependents:
15 *Provided further,* That in any week an individual who,
16 but for his training, would be entitled to unemployment
17 compensation in excess of his total allowance, including
18 payments for dependents, shall receive an allowance
19 increased by the amount of such excess.";
20 (2) Amend the second paragraph thereof to read
21 as follows:
22 "With respect to any week for which a person receives
23 unemployment compensation under title XV of the Social
24 Security Act or any other Federal or State unemployment
25 compensation law which is less than the total training allow-

1 ance, including payments for dependents, provided for by the
2 preceding paragraph, a supplemental training allowance may
3 be paid to a person eligible for a training allowance under
4 this Act. The supplemental training allowance shall not ex-
5 ceed the difference between his unemployment compensation
6 and the training allowance provided by the preceding para-
7 graph.";

8 (3) Insert the words "under the training program"
9 after "compensated hours per week" in the third para-
10 graph of such subsection;

11 (4) In lieu of the fourth paragraph of such subsec-
12 tion insert the following:

13 "The training allowance of a person engaged in training
14 under section 204 or 231 shall not be reduced on account
15 of employment (other than employment under an on-the-job
16 training program under section 204) which does not exceed
17 twenty hours per week, but shall be reduced in an amount
18 equal to his full earnings for hours worked in excess of twenty
19 hours per week."

20 (b) Section 203 (b) of the Act is amended by inserting
21 a comma after the word "transportation" where it first occurs,
22 striking out the language after that word and before the word
23 "*Provided*" and inserting the following in lieu thereof: "and
24 when such training is provided in facilities which are not
25 within commuting distance of the trainee's regular place of

1 residence, subsistence expenses for separate maintenance of
2 the trainee:".

3 (c) Section 203 (c) of the Act is amended as follows:

4 (1) Strike the words "not less than" and insert "at
5 least" in lieu thereof;

6 (2) Insert a colon after the words "gainful employ-
7 ment", strike everything in the first sentence after the
8 words "gainful employment", and insert the following in
9 lieu thereof: "*Provided,* That they are not members of a
10 family or a household in which the head of the family or
11 the head of the household as defined in the Internal
12 Revenue Code of 1954 is employed.";

13 (3) Amend the last sentence to read as follows:
14 "The number of youths under the age of twenty-two
15 who are receiving training allowances shall, except for
16 such adjustments as may be necessary for effective man-
17 agement of programs under this section, not exceed 25
18 per centum of all persons receiving such allowances (or
19 who would be entitled thereto but for the receipt of un-
20 employment compensation)."

21 (d) Section 203 (d) is amended to read as follows:

22 "For the fiscal year ending June 30, 1966, and for each
23 fiscal year thereafter, Federal payments for training allow-
24 ances under this section, or as reimbursement for unemploy-

1 ment compensation under subsection (h), shall be paid in
2 accordance with the provisions of section 241."
3 (e) Section 203 (h) (2) of the Act is amended by strik-
4 ing everything in the first sentence after the term "1965"
5 and inserting in lieu thereof "and for 90 per centum of the
6 amount of such benefits paid thereafter."
7 SEC. 6. Section 208 is repealed.
8 SEC. 7. Section 231 of the Act is amended by striking
9 the third sentence and inserting the following in lieu thereof:
10 "For the fiscal year ending June 30, 1965, Federal pay-
11 ments under this part shall be 100 per centum of the cost of
12 carrying out the agreement, and for the fiscal year ending
13 June 30, 1966, and for each fiscal year thereafter, Federal
14 payments under this part shall be made in accordance with
15 the provisions of section 241."
16 SEC. 8. Title II of the Act is amended by adding part
17 C to the end thereof to read as follows:
18 "PART C—FEDERAL PAYMENTS FOR TRAINING AND
19 TRAINING ALLOWANCES
20 "SEC. 241. During the fiscal year ending June 30, 1966,
21 and for each fiscal year thereafter, Federal payments for
22 training allowances and for reimbursements for unemploy-
23 ment compensation under section 203 and for training pro-

1 grams under section 231 shall be limited to 90 per centum
2 of the total of all such costs. Expenditures from non-Federal
3 sources may be made in cash or kind, fairly evaluated, in-
4 cluding but not limited to plant, equipment, and services."
5 SEC. 9. Title II of the Act is amended by adding part D
6 to the end thereof to read as follows:
7 "PART D—REDEVELOPMENT AREAS
8 "SEC. 251. (a) Notwithstanding any limitation in the
9 other provisions of this Act, the Secretaries of Labor and of
10 Health, Education, and Welfare, in accordance with their
11 respective responsibilities under parts A and B of this title,
12 are authorized to provide a supplementary program of train-
13 ing and training allowances, in consultation with the Secre-
14 tary of Commerce, for unemployed and underemployed
15 persons residing in areas designated as redevelopment areas
16 under the Area Redevelopment Act. Such program shall,
17 insofar as practicable, be carried out by the Secretaries of
18 Labor and of Health, Education, and Welfare in accordance
19 with the provisions otherwise applicable to programs under
20 this Act and with their respective functions under those
21 provisions, except that—
22 "(1) the Secretary of Labor, in consultation with
23 the Secretary of Commerce, shall determine the needs
24 and the eligibility of persons for training under this sec-
25 tion;

1 "(2) the Secretaries of Labor and of Health, Edu-
2 cation, and Welfare shall, each with respect to his func-
3 tions under this section, prescribe jointly with the Secre-
4 tary of Commerce such rules and regulations as may be
5 necessary to carry out the purposes of this section; and
6 "(3) no funds available under this section shall be
7 generally allocated to any State pursuant to any agree-
8 ment entered into under this Act, nor shall any State or
9 local matching funds be generally required, nor shall any
10 apportionment of funds be made among the several
11 States, except as the Secretary of Labor or the Secre-
12 tary of Health, Education, and Welfare, as the case may
13 be, jointly with the Secretary of Commerce, may deem
14 appropriate, giving adequate consideration to the rela-
15 tive needs of the eligible areas.
16 "(b) There are hereby authorized to be appropriated for
17 each fiscal year such amounts as may be necessary to carry
18 out this section.
19 "(c) The expiration or termination of any other part
20 of this Act shall not terminate the authority conferred by
21 this section unless an Act of Congress explicitly so provides."
22 SEC. 10. Section 302 of the Act is amended by striking
23 the word "and" following "the Smith-Hughes Vocational
24 Education Act," inserting a comma in lieu thereof, and in-

1 serting "and the Vocational Education Act of 1963," fol-
2 lowing "the Vocational Education Act of 1946."

3 SEC. 11. Section 304 is amended to read as follows:

4 "SEC. 304. For the purpose of carrying out this Act
5 there are hereby authorized to be appropriated for the fiscal
6 year ending June 30, 1966, and for each fiscal year there-
7 after such amounts as may be necessary."

8 SEC. 12. The following subsection is added to section
9 305 of the Act to read as follows:

10 "(e) The costs of all training programs approved in
11 any fiscal year, including the total cost of training allowances
12 for such programs, may be paid from funds appropriated for
13 such purposes for that fiscal year; and the amount of the
14 Federal payment shall be computed on the basis of the per
15 centum requirement in effect at the time such programs are
16 approved: *Provided,* That funds appropriated for the fiscal
17 year ending June 30, 1966, may be expended for training
18 programs approved under this Act prior to July 1, 1965, and
19 expenditures for such purposes shall be subject to the match-
20 ing requirements in effect at the time such programs were
21 approved."

22 SEC. 13. Sections 309(a) and 309(b) are both
23 amended by striking "Prior to March 1, 1963, and again
24 prior to April 1, 1964, April 1, 1965, and April 1, 1966"

1 and inserting in lieu thereof: "Prior to April 1 in each
2 year."

3 SEC. 14. Title III is amended by repealing section 310.

89TH CONGRESS
1ST SESSION

H. R. 4257

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. HOLLAND

FEBRUARY 3, 1965

Referred to the Committee on Education and Labor

89TH CONGRESS
1ST SESSION

H. R. 4271

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1965

Mr. POWELL introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102 (5) of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new paragraphs (6) and (7) at the end thereof to read as follows:

1 "(6) establish a program of experimental, develop-
2 mental, demonstration, and pilot projects, through grants
3 or contracts, with public or private nonprofit agencies,
4 for the purpose of improving techniques and demonstrat-
5 ing the effectiveness of specialized methods in meeting
6 the manpower, employment, and training problems of
7 worker groups such as the long-term unemployed, dis-
8 advantaged youth, displaced older workers, the handi-
9 capped, members of minority groups, and other similar
10 groups. In carrying out this subsection the Secretary
11 of Labor shall, where appropriate, consult with the Sec-
12 retaries of Health, Education, and Welfare, and Com-
13 merce, and the Director of the Office of Economic
14 Opportunity. Where programs under this section re-
15 quire institutional training, appropriate arrangements for
16 such training shall be agreed to by the Secretary of
17 Labor and the Secretary of Health, Education, and
18 Welfare. He shall also seek the advice of consultants
19 with respect to the standards governing the adequacy
20 and design of proposals, the ability of applicants, and
21 the priority of projects in meeting the objectives of the
22 Act;

23 "(7) stimulate and assist, in cooperation with
24 interested agencies both public and private, job develop-
25 ment programs, through on-the-job training and other

1 suitable methods, that will serve to expand employment
2 by the filling of those service and related needs which
3 are not now being met because of lack of trained workers
4 or other reasons affecting employment or opportunities
5 for employment."

6 SEC. 3. Sections 103 and 104 are renumbered 105 and
7 106 and new sections 103 and 104 are added to read as
8 follows:

9 "LABOR MOBILITY DEMONSTRATION PROJECTS

10 "SEC. 103. (a) During the period ending June 30, 1967,
11 the Secretary of Labor shall develop and carry out, in a
12 limited number of geographical areas, pilot projects designed
13 to assess or demonstrate the effectiveness in reducing un-
14 employment of programs to increase the mobility of un-
15 employed workers by providing assistance to meet their
16 relocation expenses. In carrying out such projects the
17 Secretary may provide such assistance, in the form of grants
18 or loans, or both, only to involuntarily unemployed indi-
19 viduals who cannot reasonably be expected to secure full-
20 time employment in the community in which they reside,
21 have bona fide offers of employment (other than temporary
22 or seasonal employment), and are deemed qualified to per-
23 form the work for which they are being employed.

24 "(b) Loans or grants provided under this section shall
25 be subject to such terms and conditions as the Secretary

1 shall prescribe, with loans subject to the following limita-
2 tions:
3 "(1) there is reasonable assurance of repayment of
4 the loan;
5 "(2) the credit is not otherwise available on rea-
6 sonable terms from private sources or other Federal,
7 State, or local programs;
8 "(3) the amount of the loan, together with other
9 funds available, is adequate to assure achievement of
10 the purposes for which the loan is made;
11 "(4) the loan bears interest at a rate not less than
12 (A) a rate determined by the Secretary of the Treasury,
13 taking into consideration the average market yield on
14 outstanding Treasury obligations of comparable ma-
15 turity, plus (B) such additional charge, if any, toward
16 covering other costs of the program as the Secretary
17 may determine to be consistent with its purposes; and
18 "(5) the loan is repayable within not more than
19 ten years.
20 "(c) Of the funds appropriated for a fiscal year to
21 carry out this Act, not more than $5,000,000 may be used
22 for the purposes of this section.
23 "TRAINEE BONDING DEMONSTRATION PROJECTS
24 "SEC. 104. During the period ending June 30, 1967,
25 the Secretary shall develop and carry out experimental and

1 demonstration projects to assist in the placement of persons
2 seeking employment through a public employment office who
3 have successfully completed or participated in a federally
4 assisted or financed training, counseling, work training, or
5 work experience program and who, after appropriate coun-
6 seling, have been found by the Secretary to be qualified and
7 suitable for the employment in question, but to whom em-
8 ployment is or may be denied for reasons other than ability
9 to perform, including difficulty in securing bonds for indemni-
10 fying their employers against loss from the infidelity, dis-
11 honesty, or default of such persons. In carrying out these
12 projects the Secretary may make payments to or contracts
13 with employers or institutions authorized to indemnify em-
14 ployers against such losses. Of the funds appropriated for
15 fiscal years ending June 30, 1966, and June 30, 1967,
16 not more than $200,000 and $300,000, respectively, may
17 be used for the purpose of carrying out this section."
18 SEC. 4. Section 202 (i) of the Act is amended by strik-
19 ing the words "and such persons shall be eligible for training
20 allowances for not to exceed an additional twenty weeks.",
21 and by changing the comma after the word "Act" to a period.
22 SEC. 5. (a) Section 203 (a) of the Act is amended as
23 follows:
24 (1) Amend the second sentence thereof to read as
25 follows: "Such payments shall be made for a period not

1 exceeding one hundred and four weeks, and the basic
2 amount of any such payment in any week for persons
3 undergoing training, including uncompensated employer-
4 provided training, shall not exceed $10 more than the
5 amount of the average weekly unemployment compensa-
6 tion payment (including allowances for dependents) for
7 a week of total unemployment in the State making such
8 payments during the most recent four-calendar-quarter
9 period for which such data are available: *Provided,* That
10 the basic amount of such payments may be increased by
11 $5 a week for each dependent over two up to a maxi-
12 mum of four additional dependents: *Provided further,*
13 That in any week an individual who, but for his training,
14 would be entitled to unemployment compensation in
15 excess of his total allowance, including payments for
16 dependents, shall receive an allowance increased by the
17 amount of such excess.";
18 (2) Amend the second paragraph thereof to read
19 as follows:
20 "With respect to any week for which a person receives
21 unemployment compensation under title XV of the Social
22 Security Act or any other Federal or State unemployment
23 compensation law which is less than the total training allow-
24 ance, including payments for dependents, provided for by
25 the preceding paragraph, a supplemental training allowance

1 may be paid to a person eligible for a training allowance
2 under this Act. The supplemental training allowance shall
3 not exceed the difference between his unemployment com-
4 pensation and the training allowance provided by the pre-
5 ceding paragraph.";

6 (3) Insert the words "under the training program"
7 after "compensated hours per week" in the third para-
8 graph of such subsection;

9 (4) In lieu of the fourth paragraph of such subsec-
10 tion insert the following:

11 "The training allowance of a person engaged in training
12 under section 204 or 231 shall not be reduced on account
13 of employment (other than employment under an on-the-job
14 training program under section 204) which does not exceed
15 twenty hours per week, but shall be reduced in an amount
16 equal to his full earnings for hours worked in excess of twenty
17 hours per week."

18 (b) Section 203 (b) of the Act is amended by insert-
19 ing a comma after the word "transportation" where it first
20 occurs, striking out the language after that word and before
21 the word "*Provided*" and inserting the following in lieu
22 thereof: "and when such training is provided in facilities
23 which are not within commuting distance of the trainee's
24 regular place of residence, subsistence expenses for separate
25 maintenance of the trainee:".

1 (c) Section 203 (c) of the Act is amended as follows:
2 (1) Strike the words "not less than" and insert
3 "at least" in lieu thereof;
4 (2) Insert a colon after the words "gainful employ-
5 ment", strike everything in the first sentence after the
6 words "gainful employment", and insert the following in
7 lieu thereof: "*Provided,* That they are not members of
8 a family or a household in which the head of the family
9 or the head of the household as defined in the Internal
10 Revenue Code of 1954 is employed.";
11 (3) Amend the last sentence to read as follows:
12 "The number of youths under the age of twenty-
13 two who are receiving training allowances shall, except
14 for such adjustments as may be necessary for effective
15 management of programs under this section, not exceed
16 25 per centum of all persons receiving such allowances
17 (or who would be entitled thereto but for the receipt
18 of unemployment compensation)."
19 (d) Section 203 (d) is amended to read as follows:
20 "For the fiscal year ending June 30, 1966, and for each
21 fiscal year thereafter, Federal payments for training allow-
22 ances under this section, or as reimbursement for unemploy-
23 ment compensation under subsection (h), shall be paid in
24 accordance with the provisions of section 241."
25 (e) Section 203 (h) (2) of the Act is amended by strik-

1 ing everything in the first sentence after the term "1965"
2 and inserting in lieu thereof "and for 90 per centum of the
3 amount of such benefits paid thereafter."

4 SEC. 6. Section 208 is repealed.

5 SEC. 7. Section 231 of the Act is amended by striking
6 the third sentence and inserting the following in lieu thereof:
7 "For the fiscal year ending June 30, 1965, Federal pay-
8 ments under this part shall be 100 per centum of the cost
9 of carrying out the agreement, and for the fiscal year ending
10 June 30, 1966, and for each fiscal year thereafter, Federal
11 payments under this part shall be made in accordance with
12 the provisions of section 241."

13 SEC. 8. Title II of the Act is amended by adding part C
14 to the end thereof to read as follows:

15 "PART C—FEDERAL PAYMENTS FOR TRAINING AND
16 TRAINING ALLOWANCES

17 "SEC. 241. During the fiscal year ending June 30, 1966,
18 and for each fiscal year thereafter, Federal payments for
19 training allowances and for reimbursements for unemploy-
20 ment compensation under section 203 and for training
21 programs under section 231 shall be limited to 90 per centum
22 of the total of all such costs. Expenditures from non-Federal
23 sources may be made in cash or kind, fairly evaluated, in-
24 cluding but not limited to plant, equipment, and services."

1 SEC. 9. Title II of the Act is amended by adding part D
2 to the end thereof to read as follows:

3 "PART D—REDEVELOPMENT AREAS

4 "SEC. 251. (a) Notwithstanding any limitation in the
5 other provisions of this Act, the Secretaries of Labor and of
6 Health, Education, and Welfare, in accordance with their
7 respective responsibilities under parts A and B of this title,
8 are authorized to provide a supplementary program of train-
9 ing and training allowances, in consultation with the Secre-
10 tary of Commerce, for unemployed and underemployed per-
11 sons residing in areas designated as redevelopment areas
12 under the Area Redevelopment Act. Such program shall,
13 insofar as practicable, be carried out by the Secretaries of
14 Labor and of Health, Education, and Welfare in accordance
15 with the provisions otherwise applicable to programs under
16 this Act and with their respective functions under those pro-
17 visions, except that—

18 "(1) the Secretary of Labor, in consultation with
19 the Secretary of Commerce, shall determine the needs
20 and the eligibility of persons for training under this
21 section;

22 "(2) the Secretaries of Labor and of Health, Edu-
23 cation, and Welfare shall, each with respect to his
24 functions under this section, prescribe jointly with the
25 Secretary of Commerce such rules and regulations as

1 may be necessary to carry out the purposes of this
2 section; and
3 "(3) no funds available under this section shall be
4 generally allocated to any State pursuant to any agree-
5 ment entered into under this Act, nor shall any State
6 or local matching funds be generally required, nor shall
7 any apportionment of funds be made among the several
8 States, except as the Secretary of Labor or the Secre-
9 tary of Health, Education, and Welfare, as the case may
10 be, jointly with the Secretary of Commerce, may deem
11 appropriate, giving adequate consideration to the rela-
12 tive needs of the eligible areas.
13 "(b) There are hereby authorized to be appropriated
14 for each fiscal year such amounts as may be necessary to
15 carry out this section.
16 "(c) The expiration or termination of any other part
17 of this Act shall not terminate the authority conferred by
18 this section unless an Act of Congress explicitly so provides."
19 SEC. 10. Section 302 of the Act is amended by strik-
20 ing the word "and" following "the Smith-Hughes Vocational
21 Education Act," inserting a comma in lieu thereof, and in-
22 serting "and the Vocational Education Act of 1963," follow-
23 ing "the Vocational Education Act of 1946."
24 SEC. 11. Section 304 is amended to read as follows:
25 "SEC. 304. For the purpose of carrying out this Act

1 there are hereby authorized to be appropriated for the fiscal
2 year ending June 30, 1966, and for each fiscal year there-
3 after such amounts as may be necessary."

4 SEC. 12. The following subsection is added to section
5 305 of the Act to read as follows:

6 "(e) The costs of all training programs approved in any
7 fiscal year, including the total cost of training allowances
8 for such programs, may be paid from funds appropriated for
9 such purposes for that fiscal year; and the amount of the
10 Federal payment shall be computed on the basis of the per
11 centum requirement in effect at the time such programs are
12 approved: *Provided,* That funds appropriated for the fiscal
13 year ending June 30, 1966, may be expended for training
14 programs approved under this Act prior to July 1, 1965,
15 and expenditures for such purposes shall be subject to the
16 matching requirements in effect at the time such programs
17 were approved."

18 SEC. 13. Sections 309 (a) and 309 (b) are both amended
19 by striking "Prior to March 1, 1963, and again prior to April
20 1, 1964, April 1, 1965, and April 1, 1966" and inserting in
21 lieu thereof: "Prior to April 1 in each year."

22 SEC. 14. Title III is amended by repealing section 310.

89TH CONGRESS
1ST SESSION

H. R. 4271

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. POWELL

FEBRUARY 3, 1965

Referred to the Committee on Education and Labor

I have today introduced a resolution proposing an amendment to the Constitution providing a solution to the problems of presidential inability and succession. Under the terms of my proposal, the inability of the President may be established by a declaration in writing of the President. Similarly, it would provide that the ability of the President to resume his powers and duties also shall be established by his declaration in writing. To insure that the President may regain his powers and duties as soon as he is able to discharge them after relinquishing them himself to the Vice President, I have included language providing that the President may resume his duties and powers immediately upon declaring his inability at an end.

In the event that the Vice President and a majority of the Cabinet or such other body as Congress shall provide do not concur in the decision of the President, the matter would be resolved by the veto of two-thirds of both Houses of Congress. Should the House and Senate fail to act promptly, the President would automatically resume his powers and duties 10 days after declaring the termination of his inability.

In the event the President fails or is unable to declare himself incapacitated, it may be established by the Vice President with the concurrence of a majority of the Cabinet or by such other body as the Congress may provide.

In order to still the recurrent controversy that accompanies each succession, the proposal would provide that in the event of death, resignation, or removal of the President, the Vice President shall succeed to the office for the unexpired term.

Because of the transformation of the Vice-Presidency from an office of obscurity to one of growing influence and national prominence, it is important that it be filled at all times. Under my proposal, when a vacancy occurs in the vice-presidential office, the President would be authorized to nominate a person who, upon confirmation by a majority of the Congress, would become Vice President for the unexpired term.

Mr. Speaker, divine providence has given us a renewed opportunity for statesmanship. To miss the opportunity again could amount to a mortal omission.

HORTON BILL FOR PROTECTION OF GOVERNMENT OFFICIALS

(Mr. HORTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HORTON. Mr. Speaker, one of the important recommendations made to Congress by the Warren Commission was that legislation be enacted making it a Federal crime to attack or assassinate the President, the Vice President, any officer next in the line of succession to the Presidency, and President-elect, or the Vice-President-elect. Similar provisions are needed to protect members of the President's Cabinet and Members of Congress as well.

Bills for this purpose, including my proposal of November 27, 1963, were submitted in the Second Session of the 88th Congress, but action was not taken. One of them passed in both the House and Senate as long ago as 1902, but failed of enactment by disagreement in conference between the House and Senate. Such a bill should be enacted now.

The Senate sponsor of the bill introduced in 1902, Senator George F. Hoar, of Massachusetts, spoke as follows on the resaon for making such homicidal attacks punishable under Federal law:

> What this bill means to punish is the crime of interruption of the Government of the United States and the destruction of its security by striking down the life of the person who is actually in the exercise of the executive power, or of such persons as have been constitutionally and lawfully provided to succeed thereto in case of a vacancy. It is important for this country that the interruption shall not take place for an hour.

Congress long ago made it a Federal offense to attack or murder various categories of Federal employees, including Federal judges, U.S. attorneys, agents of the Federal Bureau of Investigation, customs agents, and postal inspectors. By this bill the full resources of the Federal Government would be brought into action in case of any future attack upon the President or those in the line of succession to him, just as they now may be brought to bear if those lesser officials I have named are subjected to murderous violence.

The Judiciary Committees of the House and Senate properly waited for the recommendations of the Warren Commission in this matter. The recommendation has now been made unequivocally. The case for making physical attack upon the President and those in the line of succession a Federal crime is so clear that there is no occasion for delay. Even if there had been no tragedy at Dallas and no failures on the part of State authorities in the custody of the alleged assassin, it would still be eminently desirable to extend the added protection of a Federal statute around the President and all those who would succeed him in the event of his death or disability.

If this bill is enacted, it will mean that Federal law-enforcement officers must investigate such crimes against our highest officials. The Warren Commission report has noted that, as it is now, such Federal agencies as the FBI participate in investigations of the heinous crime of presidential assassination "only upon the sufferance of the local authorities." Moreover, the Commission has pointed out that the enactment of this bill would "insure that any suspects who are arrested will be Federal prisoners, subject to Federal protection from vigilante justice and other threats."

We have a duty to the memory of the late President to enact this bill. We have a duty to the administration of criminal justice by our Federal Government to enact this bill. We have a duty to the preservation of our constitutional system of government to enact this bill.

The SPEAKER. Under previous order of the House the gentleman from Illinois [Mr. DERWINSKI] is recognized for 30 minutes.

[Mr. DERWINSKI addressed the House. His remarks will appear hereafter in the Appendix.]

AMENDMENT OF MANPOWER DEVELOPMENT AND TRAINING ACT

(Mr. HOLLAND (at the request of Mr. O'HARA of Michigan) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOLLAND. Mr. Speaker, I am today introducing legislation—recommended by the President—which will again amend the Manpower Development and Training Act of 1962.

You and the Members of this House will recall, I am sure, that when I asked your support for the original Manpower Development and Training Act program, in February 1962, I stated that "this is the first of many steps we must take if we hope to eventually eliminate our unemployment problem."

In December of 1963 I requested the support of the Members for amendments to this act as the first year's experience in administering the program had revealed the need for providing basic academic education—along with occupational training—if we hoped to reach the hard-core unemployed. Other changes were made at that time also, and all were directed toward eliminating roadblocks discovered in our attempt to retrain the unemployed. These were some of the "additional steps" I had said we would probably have to take.

Today I am introducing additional amendments which we have found to be necessary if we hope to enjoy full employment in this Nation.

The Manpower Development and Training Act has proved that it can get our unemployed workers back into the active labor market. The records show that between 70 and 80 percent of all those retrained under this program are gainfully employed. Not only have these people been made active participants in our economy but, above all, they have regained their self-respect, for they were all eager to return to the ranks of the taxpayers rather than remain on the public relief rolls.

Only last week the city of Pittsburgh—a part of which is in my congressional district—reported that retraining courses for jobless workers are saving the taxpayers of the city $35,000 a month in relief payments. I am sure that similar conditions exist in the districts of many other Members.

The continuation of this program is certainly necessary and, I am happy to say, it has gained the support of all segments of our Nation—industry, labor, education, government, and even the average citizens who belong to no specific group or organization.

Because of its noncontroversial nature, I anticipate early passage of this legislation.

The need for its uninterrupted continuation is mandatory and, for this reason, the Select Subcommittee on Labor, of which I am chairman, has scheduled public hearings on these amendments starting tomorrow, February 4. The

Secretary of Labor, the Honorable Willard W. Wirtz, will be our opening witness; and the Secretary of Health, Education, and Welfare, the Honorable Anthony J. Celebrezze, will testify on February 5; with Mr. Andrew J. Biemiller, the legislative director for the AFL–CIO, scheduled to testify on February 10.

Additional hearings will be scheduled, and it is my hope that in the very near future, Mr. Speaker, this legislation will be reported to the House for final passage.

With the unanimous consent of the House, I am appending to my remarks a brief explanation of the amendments to the Manpower Development and Training Act proposed by the administration:

OUTLINE OF PROVISIONS OF DEPARTMENT OF LABOR MANPOWER ACT OF 1965

1. Termination date: Removes the June 30, 1966, termination date of the title II provisions of the Manpower Development and Training Act.

2. Job development programs: Directs the Secretary to stimulate and assist job development programs to fill service needs which are not being met because of a lack of trained workers or other reasons affecting employment.

3. Experimental and demonstration programs: Expands the Secretary's research authority under title I of the Manpower Development and Training Act so that he may undertake experimentation and demonstration projects, and make grants to or contract with appropriate organizations for such purposes.

4. Labor mobility demonstration projects: Extends authority to conduct such projects for 2 more years, increases appropriations for such projects from $4 million to $5 million a year, removes the language which restricts the type of relocation expenses covered by the section to transportation costs and grants to 50 percent of such costs, adds provisions dealing with loans, and makes the provisions a part of title I, repealing section 208 accordingly.

5. Trainee bonding demonstration projects: Further amends title I to provide for demonstration projects to assist in the placement of trainees who have difficulty in securing bonds required for employment. Not more than $200,000 for fiscal year 1966 and $300,000 for fiscal year 1967 is authorized for such projects.

6. Training allowances:

(a) Extends period of training allowance support from 1 to 2 years.

(b) Changes eligibility requirements to permit single persons without dependents to receive training allowance.

(c) Increases training allowances by $5 a week for each dependent over two up to a maximum of six.

7. Revision of limitation on number of youths who may receive training allowances: The act presently provides that not more than 25 percent of those receiving training allowances may be under the age of 22. This provision is amended to enable the Secretary of Labor to make such adjustments as administrative necessity may require.

8. Transportation allowances: Permits the payment of transportation allowances for daily commuting between the residence and the place of training.

9. Outside work for on-the-job trainees: Permits on-the-job trainees to engage in up to 20 hours of outside work without a reduction in their training allowance.

10. Matching funds: Matching for training allowances and HEW training programs may be combined and is put on a 90–10 basis. Non-Federal contributions may be in cash or kind.

11. Appropriations:

(a) The present monetary limitations in section 304 of the Manpower Act on authorizations authorized for each title are replaced by an open-end authorization for the whole act.

(b) Makes it clear that costs of training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year. Also permits the non-Federal contribution to be based on the matching requirement in existence at the time the training program is approved. (Thus, training programs approved before June 30, 1965, will not require matching by the States, even though payments to States are made after that date.)

12. Area Redevelopment Act: Authorizes special funds under the Manpower Act for training programs in areas designated as redevelopment areas under the Area Redevelopment Act to be carried out by the Secretaries of Labor and HEW pursuant to the MDTA, in cooperation with the Secretary of Commerce and with full Federal financing. The need for the separate training provisions now in the Area Redevelopment Act is thus eliminated and the training requirements in all areas can be conformed to the maximum extent practicable.

13. Miscellaneous: Technical changes are made in the method of computing the average weekly unemployment compensation payment in the States, upon which weekly training allowances are based.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CALLAWAY (at the request of Mr. DON H. CLAUSEN), for 20 minutes, on February 4.

Mr. DERWINSKI (at the request of Mr. DON H. CLAUSEN), for 30 minutes, on February 3.

Mr. FEIGHAN (at the request of Mr. DE LA GARZA), for 5 minutes, on Thursday, February 4, 1965; to revise and extend his remarks and to include extraneous matter.

Mr. ROONEY of New York (at the request of Mr. DE LA GARZA), for 15 minutes, today; to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. O'HARA of Michigan and to include extraneous matter.

Mr. FLYNT.

Mr. ZABLOCKI in two instances and to include extraneous matter.

Mr. GROSS and to include extraneous matter.

Mr. CARTER (at the request of Mr. RUMSFELD) and to include extraneous matter.

(The following Members (at the request of Mr. DON H. CLAUSEN) and to include extraneous matter:)

Mr. YOUNGER in three instances.
Mr. MOORE in three instances.
Mr. MACGREGOR.
Mr. RUMSFELD in three instances.
Mr. CUNNINGHAM in two instances.
Mr. CONTE.

(The following Members (at the request of Mr. DE LA GARZA) and to include extraneous matter:)

Mr. BECKWORTH.
Mr. MULTER in three instances.
Mr. GRABOWSKI in five instances.
Mr. UDALL in two instances.
Mr. COOLEY in two instances.
Mr. SCHMIDHAUSER.
Mr. MATTHEWS.
Mr. HANSEN of Iowa.
Mr. BOLLING.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of thefollowing titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 701. An act to carry out the obligations of the United States under the International Coffee Agreement, 1962, signed at New York on September 28, 1962, and for other purposes; to the Committee on Ways and Means.

S. Con. Res. 9. Concurrent resolution authorizing the printing of additional copies of the prayers offered by the Reverend Peter Marshall in the Senate during the 80th and 81st Congresses; to the Committee on House Administration.

ADJOURNMENT

Mr. DE LA GARZA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Thursday, February 4, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

490. A letter from the Comptroller General of the United States, transmitting a report on supply support deficiencies contributing to high deadline rate of air defense equipment at an oversea location, Department of the Army; to the Committee on Government Operations.

491. A letter from the Comptroller General of the United States, transmitting a report on inadequate maintenance and supply support of aviation units of the Eighth U.S. Army, Korea, Department of the Army; to the Committee on Government Operations.

492. A letter from the Comptroller General of the United States, transmitting a report on inadequate maintenance and supply support of aircraft of the Seventh U.S. Army, Europe, Department of the Army; to the Committee on Government Operations.

493. A letter from the Comptroller General of the United States, transmitting a report on the audit of Farm Credit Administration for the fiscal year 1964, pursuant to 31 U.S.C. 858 (H. Doc. No. 72); to the Committee on Government Operations and ordered to be printed.

494. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled, "A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to make uniform for all commodities, for which a marketing quota program is in effect, provisions for reducing farm acreage and producer allotments for falsely identifying, failing to account for disposition, filing a false acreage report, and for harvesting two crops of the same commodity

the present law as well as extend coverage to include additional children and others in need of help in meeting the cost of medical care.

The proposed title would replace medical assistance for the aged and the provisions for direct payments to suppliers of medical care and services under old-age assistance, aid to the blind, aid to families with dependent children, aid to the permanently and totally disabled, and the consolidated program for the aged, blind, and disabled. The program would be administered by the States (and by the same State agency that administers old-age assistance) and would include all persons now receiving assistance for basic maintenance under the public assistance titles enumerated above. In addition, States may include, as presently done under medical assistance for the aged, persons who are able to provide their maintenance, but whose income and resources are not sufficient to meet their medical care costs. Services offered the former group may be no less in amount or scope than for the latter group. If the medically needy are to be included, comparable eligibility provisions would apply so that all persons similarly situated among the aged, blind, dependent children, and the disabled would be included in the program. No age requirement may be imposed that would exclude any person under 21, or over 65 years. A flexible income test taking medical expenses into account would be used.

The Federal share of medical assistance expenditures under the new program would vary in relation to a State's per capita income with no maximum on the amount of such expenditures in which there would be sharing. The bill also provides that no less than one-half of the non-Federal share shall be met through State rather than local funds and after July 1, 1970, all the non-Federal share would be from State funds. In order to receive any additional Federal funds as a result of expenditures under the program, the States would need to continue their expenditures at their present rate. For a specified period, no State would, however, receive less in Federal funds than under current provisions of law. The bill provides that a State plan will not be approved if the operation of the proposed State program would result in a reduction of assistance under the basic maintenance assistance programs.

In order to continue to receive Federal funds under the new title, the State would need to show progress toward a goal of comprehensive care and services to substantially all needy individuals under its program.

The new title would prohibit the imposition of durational residence requirements. No liens would be imposed against the property of a recipient during his lifetime for assistance correctly paid. Also, no recovery can be made of any medical assistance correctly paid except from the estate of a person over the age of 65 at the time he received medical assistance, and then only after the death of surviving spouse and minor children. Only income which is actually available may be considered in determining need and any resources of the individual must be reasonably evaluated. States may not take into account the financial responsibility of any individual for anyone who is not a spouse or child under the age of 21.

As a minimum, the medical services which must be offered under the plan are to include inpatient hospital services, outpatient hospital services, other laboratory and X-ray services, skilled nursing home services, and physician's services whether furnished in the office, the patient's home, a hospital, or a skilled nursing home. Other items of medical service are enumerated and are optional with the States. Provision would be made for a State authority or authorities to establish, maintain, and improve standards for public and private institutions if the State plan provides for services to be available therein. Included would be standards applicable to arrangements between facilities and institutions that provide care or services.

The States would need to have professional medical personnel to participate in the administration of the program, and the cost of such personnel, whether on the State or local staff, would be shared in by the Federal Government at a rate higher than for normal administrative costs. States may also provide social services with the Federal share of the cost at the same higher rate. The State agency administering the program would need to work out cooperative arrangements with health and vocational rehabilitation agencies looking toward effective coordination of available services. In developing its plan for medical services under the title, States would need to show that in their plans eligibility for care and services will be determined in a manner consistent with simplicity of administration and the best interests of the recipient. The State in determining eligibility and the medical assistance to be provided, would need to make provision for paying, in the case of eligible individuals, any deductible imposed with respect to individuals under the program established by the Hospital Insurance Act of 1965.

If the State plan includes provision for making medical assistance available to persons in mental or tuberculosis hospitals, the State would need to show that appropriate steps are being taken to provide, for such persons, the medical and related services they need, and the States are working toward a comprehensive mental health program in the State. The availability of Federal funds for the cost of medical assistance paid in behalf of such persons is contingent upon a corresponding increase in total expenditures in the State for mental health services.

Under existing law direct payments to suppliers of medical care, i.e., physicians, hospitals, nursing homes, druggist, etc., may be considered as assistance under all of the federally aided programs. In the case of medical assistance for the aged, a single formula applies and all payments under the program are by vendor payment. In old-age assistance there are special provisions for matching vendor payments up to an average of $15 per month and any excess above this average may be matched as regular assistance within the limitations that exist. In the programs of aid to the blind, aid to the permanently and totally disabled, and aid to families with dependent children there is no special matching provision for vendor payments but such payments may be counted along with all other payments in determining Federal participation.

Even among these three programs the basic formula is different for aid to families with dependent children than for aid to the blind and aid to the permanently and totally disabled. In the combined adult programs under title XVI the arrangement is essentially the same as that for old-age assistance. Under the medical assistance for the aged program there is no limitation on the amount of expenditures that is matchable while under each of the other programs there is a limitation imposed by an average maximum. Thus, there are wide variations in the extent to which Federal participation is available depending on the individual program, amount of assistance provided in a particular State, and other factors.

The bill would enable the States to establish a program of medical assistance that would afford a uniform basis of Federal participation in expenditures for medical care without regard to any of these other factors. It would assure that some medical care is made available to needy children as well as to adults receiving public assistance and should minimize differences in the services available to them. The bill would also afford a basis for dealing with medically indigent children and adults who would be eligible for federally aided assistance if their needs were sufficiently great. In this respect, it would follow the precedent established by the medical assistance for the aged program.

Since medical assistance would be provided under the program without regard to whether the individuals were or were not receiving money payments, problems of transfer from one program to another would be avoided. Thus there would be no basis for such transfers as have taken place between the OAA and MAA programs. The separate medical care program would provide a solid basis for needed medical assistance to all needy and medically needy people within the scope of the federally aided categories and would result in substantial administrative and program simplification.

TITLE III—IMPLEMENTATION OF MENTAL RETARDATION PLANNING AMENDMENT OF TITLE XVII OF THE SOCIAL SECURITY ACT

This title would authorize grants totalling $2,750,000 for each of fiscal years—the fiscal year ending June 30, 1966, and fiscal year ending June 30, 1967. The grants would be available during the year for which the appropriation is authorized and during the succeeding fiscal year. They are for the purpose of assisting States to implement and followup on plans and other steps to combat mental retardation authorized under section 1701 of the Social Security Act.

PROHIBITION OF USE OF MAIL COVERS

Mr. LONG of Missouri. Mr. President, some 2 years ago, there was brought to my attention a method of surveillance practiced by the Post Office Department known as a "mail cover." This technique involves the systematic recording of all mail received by a person or firm as well as the recording of all information obtainable from the mail without opening it.

Under postal regulations, any postmaster in the country is authorized to place a mail watch on a person or firm at the request of any law enforcement official. The regulations authorize such mail covers only for the purpose of locating fugitives from justice. But apparently the postmaster is required to take without question the law enforcement officer's assertion as to purpose. The thought that every policeman, constable, and deputy sheriff in the country has the authority to learn what mail any person is receiving causes me grave concern. But this regulation is only the beginning. Under another regulation, postal inspectors may order mail covers. Evidence which I have collected over the past 2 years indicates that watches will be instituted through the Postal Inspection Service at the request of any Federal agency and practically for any reason.

The Postal Inspection Service claims that agency requests for covers are honored only if they are to be placed on the mail of persons apt to receive communication from a fugitive from justice or on the mail of persons known to have committed or strongly suspected of having committed a serious criminal violation. However, this claim is not substantiated by the information received from other agencies. The Internal Revenue Service last summer told me that the Post Office

Department has instituted mail covers at its request as part of employee and tax practitioner integrity investigations. Such investigations are certainly a long way from criminal matters.

My inquiries into the use of mail covers has convinced me of one thing despite protestations of the Post Office Department to the contrary. There is wide open use of this surveillance technique with absolutely no effort at control. During the past 2 years, I have called on the Department on several occasions to discontinue the use of mail covers or at least to establish some system of control. On each occasion, I have been assured they are used sparingly and only where necessary. The evidence does not support this contention.

As a result, I introduced in the last Congress a bill to prohibit mail covers. Since the situation has not improved, I am again introducing a bill for this purpose. Mr. President, I introduce for appropriate reference a bill to prohibit the use of mail covers.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 973) to prohibit the use of mail covers, introduced by Mr. LONG of Missouri, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

MANPOWER ACT OF 1965

Mr. CLARK. Mr. President, on behalf of the Senator from Rhode Island [Mr. PELL], I introduce, for appropriate reference, a bill to amend the Manpower Development and Training Act of 1962, as amended.

This bill, I hope, will become law. In that event, it will be called the Manpower Act of 1965. I assume that, as in former years, it will be referred to the Committee on Labor and Public Welfare. The Subcommittee on Manpower and Employment of that committee will hold hearings on this bill on February 9 and 10.

I ask unanimous consent that the bill may be printed in the RECORD. I further ask unanimous consent that a section-by-section description of the bill may be printed in the RECORD at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, introduced by Mr. CLARK (for himself and Mr. PELL), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act, as amended (hereinafter referred to as "the Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new paragraphs (6) and (7) at the end thereof to read as follows:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants or contracts, with public or private nonprofit agencies, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

"(7) stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment."

SEC. 3. Sections 103 and 104 are renumbered 105 and 106 and new sections 103 and 104 are added to read as follows:

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 103. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE BONDING DEMONSTRATION PROJECTS

"SEC. 104. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

SEC. 4. Section 202(i) of the Act is amended by striking the words "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.", and by changing the comma after the word "Act" to a period.

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows: "With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under sections 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week."

(b) Section 203(b) of the Act is amended by inserting a comma after the word "trans-

portation" where it first occurs, striking out the language after that word and before the word *"Provided"* and inserting the following in lieu thereof: "and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" and insert "at least" in lieu thereof;

(2) Insert a colon after the words "gainful employment", strike everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: *"Provided,* That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Section 203(d) is amended to read as follows:

"For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowance under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid in accordance with the provisions of section 241."

(e) Section 203(h)(2) of the Act is amended by striking everything in the first sentence after the term "1965" and inserting in lieu thereof "and for 90 per centum of the amount of such benefits paid thereafter."

SEC. 6. Section 208 is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: "For the fiscal year ending June 30, 1965, Federal payments under this Part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this Part shall be made in accordance with the provisions of section 241."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

"SEC. 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. Title II of the Act is amended by adding part D to the end thereof to read as follows:

"PART D—REDEVELOPMENT AREAS

"SEC. 251. (a) Notwithstanding any limitation in the other provisions of this Act, the Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas under the Area Redevelopment Act. Such program shall, insofar as practicable, be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the needs and the eligibility of persons for training under this section;

(2) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

(3) no funds available under this section shall be generally allocated to any State pursuant to any agreement entered into under this Act, nor shall any State or local matching funds be generally required, nor shall any apportionment of funds be made among the several States, except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.

"(c) The expiration or termination of any other part of this Act shall not terminate the authority conferred by this section unless an Act of Congress explicitly so provides."

SEC. 10. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act," inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946."

SEC. 11. Section 304 is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary."

SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided,* That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 13. Sections 309(a) and 309(b) are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year."

SEC. 14. Title III is amended by repealing section 310.

The section-by-section description presented by Mr. CLARK is as follows:

OUTLINE OF PROVISIONS OF DEPARTMENT OF LABOR MANPOWER ACT OF 1965

1. Termination date: Removes the June 30, 1966 termination date of the title II provisions of the Manpower Development and Training Act.

2. Job development programs: Directs the Secretary to stimulate and assist job development programs to fill service needs which are not being met because of a lack of trained workers or other reasons affecting employment.

3. Experimental and demonstration programs: Expands the Secretary's research authority under title I of the MDTA so that he may undertake experimentation and demonstration projects, and make grants to or contract with appropriate organizations for such purposes.

4. Labor mobility demonstration projects: Extends authority to conduct such projects for 2 more years, increases appropriations for such projects from $4 million to $5 million a year, removes the language which restricts the type of relocation expenses covered by the section to transportation costs and grants to 50 percent of such costs, adds provisions dealing with loans, and makes the provisions a part of title I, repealing section 208 accordingly.

5. Trainee bonding demonstration projects: Further amends title I to provide for demonstration projects to assist in the placement of trainees who have difficulty in securing bonds required for employment. Not more than $200,000 for fiscal 1966 and $300,000 for fiscal 1967 is authorized for such projects.

6. Training allowances: (a) Extends period of training allowance support from 1 to 2 years; (b) Changes eligibility requirements to permit single persons without dependents to receive training allowance; (c) Increases training allowances by $5 a week for each dependent over two up to a maximum of six.

7. Revision of limitation on number of youths who may receive training allowances: The act presently provides that not more than 25 percent of those receiving training allowances may be under the age of 22. This provision is amended to enable the Secretary of Labor to make such adjustments as administrative necessity may require.

8. Transportation allowances: Permits the payment of transportation allowances for daily commuting between the residence and the place of training.

9. Outside work for on-the-job trainees: Permits on-the-job trainees to engage in up to 20 hours of outside work without a reduction in their training allowance.

10. Matching funds: Matching for training allowances and HEW training programs may be combined and is put on a 90–10 basis. Non-Federal contributions may be in cash or kind.

11. Appropriations: (a) The present monetary limitations in section 304 of the Manpower Act on authorizations authorized for each title are replaced by an open-end authorization for the whole act; (b) makes it clear that costs of training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year. Also permits the non-Federal contribution to be based on the matching requirement in existence at the time the training program is approved. (Thus, training programs approved before June 30, 1965, will not require matching by the States, even though payments to States are made after that date.)

12. Area Redevelopment Act: Authorizes special funds under the Manpower Act for training programs in areas designated as redevelopment areas under the Area Redevelopment Act to be carried out by the Secretaries of Labor and HEW pursuant to the Manpower Development and Training Act, in cooperation with the Secretary of Commerce and with full Federal financing. The need for the separate training provisions now in the Area Redevelopment Act is thus eliminated and the training requirements in all areas can be conformed to the maximum extent practicable.

13. Miscellaneous: Technical changes are made in the method of computing the average weekly unemployment compensation payment in the States, upon which weekly training allowances are based.

Mr. CLARK. Mr. President, the bill broadens the Manpower Development

and Training Act by making the act permanent.

It directs the Secretary of Labor to embark on a news program to train unemployed workers for jobs in the expanding service sector of the economy.

It increases funds for research in new training techniques for the unemployed and those displaced by automation.

It increases from $4 to $5 million the amount available for helping working families to move to where new jobs are located.

The bill increases both the duration and the amount of the retraining allowances and eliminates the limitations on the number of young people who can be retrained under the act.

Most important, the bill recognizes the great financial strains upon the various State treasuries and recommends that the Federal Government fund 90 percent of the cost of the program on a permanent basis, in lieu of the original 50–50 cost-sharing plan originally envisioned when the Manpower Development and Training Act was first passed in 1962.

ADOPTION OF A PERPETUAL CALENDAR

Mr. FONG. Mr. President, I introduce, for appropriate reference, a bill providing for the adoption of a perpetual calendar, effective January 1, 1967.

This calendar was devised by a fellow Hawaiian, Dr. Willard E. Edwards, in 1919. Dr. Edwards makes a convincing case for the adoption of the perpetual calendar. I ask unanimous consent that an article written by Dr. Edwards entitled, "A Systematic Calendar Recommended," be printed in the RECORD together with the perpetual calendar.

I also ask unanimous consent that an article written by Sylvia Porter, a noted financial and business columnist, entitled, "Revised Calendar Proposed in Bill," and which appears in today's Washington Star be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the articles and calendar will be printed in the RECORD.

The bill (S. 977) to provide for the adoption of a perpetual calendar, introduced by Mr. FONG, was received, read twice by its title, and referred to the Committee on Commerce.

The articles and calendar presented by Mr. FONG are as follows:

A SYSTEMATIC CALENDAR RECOMMENDED

(By Willard E. Edwards)

A calendar is defined as a system of determining the beginning, length, and divisions of a year. And the word "system" implies a regular, orderly, or logical way of doing something. However, our present calendar is neither systematic nor logical. It has two serious faults; it lacks fixity, and its divisions are unequal.

It is not logical to have irregular and unequal lengths of months, quarters, and half years. Nor is it necessary to have each year begin and end on a different day of the week.

To print just one size of all calendar months, a printer requires 28 plates. He needs seven for starting 28-day months on each day of the week; seven each for 29-, 30-, and 31-day months. To print just one size of our complete calendar years, he needs 14 plates. Seven are required for starting a 365-day year on each day of the week; and seven more for a 366-day year.

February now has 4 Sundays plus 24 workdays, not counting holidays. January and March can have 27 workdays plus 4 Sundays. When compared with February, these 2 months can have three-twenty-fourths or 12½ percent more workdays.

This is very costly in all comparison, statistical, and accounting work. Many workmen paid by the hour earn considerably less in February. But they may have the same monthly rent and other fixed monthly bills to pay. Employers paying employees a fixed monthly salary get less work from them in February. This short month is thus unfair, impractical, and costly, almost any way you look at it.

Some sources say February used to have 29 days but had one day removed and added to a 30-day August to make August a "lucky-number" month. The 6th month of the Roman year, Sextilis, was renamed August in honor of Augustus Caesar. At that time, Romans thought months with an odd number of days were lucky, and that months with an even number of days were unlucky.

February was then at the end of the year and mattered least. The other months of the Roman calendar originally had alternate months of 31 and 30 days, beginning with March.

The first 3 months of our calendar year now have 90 days, the second quarter has 91, and the third and fourth have 92 each. The first half year therefore has 181 days, and the second half 184. This is far from being systematic, logical, or practical.

Since each year starts and ends on a different day of the week, no 2 years are now alike in succession. Our present calendar is simply an awkward arrangement and an expensive heritage from the past. There is little to be gained by cherishing or defending it, and no progress is ever made without change. We have but one clock in international use. Isn't it time we changed to one fixed international standard civil calendar? The clock and the calendar simply record the passing of time, and it would be of great economic and social advantage to have them both as international civil standards.

Regularity and fixity are demanded in all of our other international standards. Why then should we not have fixity and regularity in the calendar? Time is a measurement of the earth's rotation on its axis and of its revolution around the sun. The laws of nature determine the length of our solar year. At noon on January 1, 1965, it was 365 days, 5 hours, 48 minutes, and 45:66 seconds in length. When reduced to a decimal, this period becomes 365.242195 days.

However, the calendar year, when averaged over a period of 400 years, is 365.242500 days in length. Our calendar is thus slow by the small difference of 0.000305 day, or an average of about 26 seconds each year. It will take 3,280 years for the calendar to get behind the solar year by one whole day, providing the annual difference remains constant.

Our calendar was considered corrected in 1582 by Pope Gregory when 10 days were dropped and a new leap-year rule was formulated. Adding 3280 to 1582 we get 4862, and the year 4860 can be counted as a 365-day year instead of a leap year. The calendar will then be corrected for another 32 centuries, and this should be accurate enough for most of us.

There is thus no fault with the length of our calendar year; astronomy does not enter into present calendar revision problems in any way. The great expense and inconvenience in using our present calendar lies entirely in its lack of fixity and in its unequal divisions. When learning of these two faults of our calendar in 1919, I was challenged to devise a better one. "The perpetual calendar" is the result.

By dividing 365 by 4, we get 91¼ days in each 3-month period. By setting aside the quarter day, 91 days may be divided into 30-, 30-, and 31-day months. This allows 13 full weeks in each quarter. Since this would give us a calendar year of only 364 days, or 52 weeks, we must account for 1 day more.

It is most logical to choose New Year's Day and have it become a day apart. It is already an international holiday and can be used like the day we gain when crossing the 180th meridian eastward. We then have an "extra day" as a calendar correction, often called meridian day. It is also called a second Sunday, or any other day of the week, depending on what day the dateline is crossed in an easterly direction. Such an extra day at the dateline has been readily accepted ever since 1884.

In the perpetual calendar, this first day of each year may also be called January 0 for accounting or statistical purposes. Zero is the first cardinal numeral, a perfectly good number, 1 less than 1. In mathematics, it is a real number. It should be shown preceding the figure 1 on our telephone dials and in our dictionaries.

The prime meridian of longitude through Greenwich is "the zero meridian," and the first hour of the day is "the zero hour." We don't say it is 1 o'clock, or 0100, until 1 hour past midnight, the beginning of the second hour of each day.

In the perpetual calendar, the second day of each new year becomes Monday, January 1, a working day. But we will always have a 3-day New Year's weekend. The first day of the year, the New Year's Day holiday, follows a Saturday and Sunday, December 30 and 31. Each quarter and each week starts on a Monday. Saturday and Sunday then become the weekend on the calendar as well as in fact. They are often shown this way on European calendars.

In leap years, a second "day apart" follows June 31 and precedes July 1. It is called leap-year day, a holiday and the first day of the second half year. These 2 days apart may be abbreviated as NYD and LYD. Unless they are used, any other proposed change in the calendar becomes impractical.

By the use of these yeardays or days apart, the calendar becomes fixed and perpetual, and that is their only purpose. With equal quarterly divisions, only three plates are then required to print the months. And only one plate is then required to print the whole year. People born on the annual day apart can say "I was born on New Year's day." Those born in leap years on the 184th yearday can say "I was born on leap-year day."

No one will lose a birthday in the perpetual calendar, but many will gain one. Those born on February 29 in the present calendar can observe that same date every year in the new calendar. To find your birthday in the perpetual calendar, simply count the days in the present calendar from January 1 to your birthdate. Then count the same number of yeardays in the new calendar, starting with "New Year's day." The birthdate yearday will always be in the same month, with a difference of no more than 1 or 2 days.

Easter is suggested on April 14 to conform with the original date and a provisional bill enacted by the British Parliament in 1928. Good Friday will then never fall on a Friday the 13th, there being no such date in the perpetual calendar. Easter Monday, as a holiday on April 15, could always be the third day of a 3-day weekend.

Christmas would also fall always on a Monday, making Christmas Sunday a more meaningful day. And New Year's eve, on Sunday, December 31, would not interfere with regular church services.

There is much to commend the adoption of the perpetual calendar. It has been officially endorsed by the Legislatures of the States of Hawaii and Massachusetts. It is

14. MANPOWER. A subcommittee of the Education and Labor Committee voted to report to the full committee H. R. 4257 and H. R. 4271, to amend the Manpower Development and Training Act of 1962. p. D126

15. BUILDINGS. Received from GSA a report on the status of construction, alteration, or acquisition of public buildings. p. 3384

16. MEAT PRICES. Received a Mont. Legislature memorial requesting a study of "prices paid to meat producers, costs of processing, and retail prices to determine if meat processors and retailers are receiving unwarranted profits." p. 3388

17. WATER RESOURCES. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 1111, to provide for the optimum development of the Nation's natural resources (companion to S. 21--see item 1 above). p. D127

ITEMS IN APPENDIX

18. WATER RESOURCES. Extension of remarks of Sen. Metcalf inserting resolutions of the Upper Missouri Water Users Assoc., including recommendations concerning "Federal land and water research activities, reclamation law and procedures, sugarbeet allotments, and relations between individuals States and irrigation districts." p. A788-9

19. FARM PROGRAM. Extension of remarks of Sen. Hartke inserting the text of a speech by the National Farmers Union president discussing farm policy and national legislation. p. A791-3

20. FUTURE FARMERS. Extension of remarks of Rep. Fuqua in recognition of the great contribution which the FFA has rendered to the Nation. p. A795-6

21. ACREAGE ALLOTMENTS. Extension of remarks of Rep. Callan supporting acreage allotments for certain crops and stating that studies show that farm prices would have declined in recent years without such allotments. pp. A800-1

22. APPALACHIA. Rep. Fulton inserted an article reviewing the resources of the Appalachian area and supporting enactment of the proposed Appalachia bill. pp. A802-3

23. FOREIGN TRADE. Extension of remarks of Rep. Rogers, Fla., commending a resolution adopted by the Inter-American Regional Workers Organization favoring a boycott on ships calling in Cuba. pp. A812-3

BILLS INTRODUCED

24. WATER POLLUTION. H. R. 5377 by Rep. Duncan, Oregon, to amend the Federal Water Pollution Control Act; to Public Works Committee. Remarks of author pp. 3347-8

H. R. 5411 by Rep. McGrath, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters; to Public Works Committee.

25. PERSONNEL. H. R. 5381 by Rep. Edwards, California, and H. R. 5433 by Rep. Shipley, to modify the decrease in group life insurance at age 65 or after retirement; to Post Office and Civil Service Committee.

H. R. 5382 by Rep. Edwards, California, to correct inequities in the Civil Service Retirement Act, the Retired Federal Employees Health Benefits Act, and in other laws governing civil service retirement benefits; to Post Office and Civil Service Committee.

H. R. 5383 by Rep. Edwards, to amend the Civil Service Retirement Act, as amended, to provide annuities for surviving spouses without deduction from original annuities; to Post Office and Civil Service Committee.

26. WOOL. H. R. 5360 by Rep. Baring, to extend the operation of the National Wool Act of 1954, as amended; to Agriculture Committee.

H. R. 5416 by Rep. Morse, to amend the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacture of sweaters; to Ways and Means Committee.

27. RECREATION. H. R. 5423 by Rep. Rhodes, Pennsylvania, and S. 1265 by Sen. Clark, to authorize the construction of a dam on the Susquehanna River, Pa.; to Public Works Committee. Remarks of Senator Clark p. 3394

28. FREEDOM ACADEMY. H. R. 5370 by Rep. Clausen, to create the Freedom Commission and the Freedom Academy, to conduct research to develop an integrated body of operational knowledge in the political, psychological, economic, technological, and organizational areas to increase the non-military capabilities of the United States in the global struggle between freedom and communism, to educate and train Government personnel and private citizens to understand and implement this body of knowledge, and also to provide education and training for foreign students in these areas of knowledge under appropriate conditions; to Un-American Activities Committee.

29. RESEARCH. H. R. 5373 by Rep. Corman, to provide research, technical, and financial assistance with respect to the disposal of solid wastes to the several States and political subdivisions thereof; to Interstate and Foreign Commerce Committee.

30. CONTRACTS. H. R. 5394 by Rep. Hanna, to promote fair competition among subcontractors and to prevent bid peddling on public works contracts by requiring persons submitting bids on those contracts to specify certain subcontractors who will assist in carrying them out; to Judiciary Committee.

31. FORESTRY. H. R. 5395 by Rep. Hansen, Idaho, to authorize the Secretary of the Interior to designate the Nez Perce National Historical Park in the State of Idaho; to Interior and Insular Affairs Committee.

32. TRANSPORTATION. H. R. 5401 by Rep. Harris, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system; to Interstate and Foreign Commerce Committee.

33. INFORMATION. H. R. 5406 by Rep. Leggett, to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records; to Government Operations Committee.

March 2, 1965

SENATE

9. MANPOWER. A subcommittee of the Labor and Public Welfare Committee voted to report to the full committee with amendments S. 974, to amend the Manpower Development and Training Act of 1962. ~~p. D144~~

10. MIGRATORY HEALTH. A subcommittee of the Labor and Public Welfare Committee approved for full committee consideration an amendment to S. 510, proposed Community Health Services Extension Amendments. The "Daily Digest" states that "The amendment approved today would authorize appropriations under the Migrant Health Act of 1963 of $7 million for fiscal year 1966; $8 million for fiscal year 1967; $9 million for fiscal year 1968; and $10 million for fiscal year 1969, and the years thereafter." p. D144

11. NOMINATION. The Post Office and Civil Service Committee approved the nomination of John W. Macy, Jr., for reappointment as a Civil Service Commissioner. p. D144

ITEMS IN APPENDIX

12. FARM LABOR. Extension of remarks of Rep. Todd expressing concern over the lack of farm laborers in Michigan due to the termination of the Bracero program and inserting an East Rapids Chamber of Commerce resolution urging the reenactment of the "Bracero Labor Act". p. A908

13. WATER POLLUTION. Extension of remarks of Rep. McCarthy on the "serious water pollution problems in...Lake Erie" and inserting the text of a TV broadcast on this subject, "Danger in Every Drop." pp. A912-3

14. BUDGET; DEBT. Rep. Stalbaum inserted an editorial, "Different View of Federal Finances," which he stated gives "an enlightening thought to those who are concerned over our economy and...the Federal debt." p. A907-8

BILLS INTRODUCED

15. ANIMALS. H. R. 5647, by Rep. Cleveland, to provide for the humane treatment of vertebrate animals used in experiments and tests by recipients of grants from the United States and by agencies and instrumentalities of the U. S. Government; to Interstate and Foreign Commerce. Remarks of author pp. 3882-3

16. FARM LABOR. H. R. 5649, by Rep. Corman, to encourage the States to extend coverage under their State unemployment compensation laws to agricultural labor; to Ways and Means Committee.

17. TAXATION. H. R. 5652, by Rep. Curtis, to amend the Internal Revenue Code of 1954 to allow a farmer a deduction from gross income for water assessments levied by irrigation ditch companies; to Ways and Means Committee.

18. FOREIGN AID. H. R. 5657, by Rep. Gray, to promote the general welfare, foreign policy, and security of the United States; to Ways and Means Committee.

19. MONOPOLIES. H. R. 5667 by Rep. Lindsay, for the establishment of a Commission on Revision of the Antitrust Laws of the United States; to Judiciary Committee.

20. RESEARCH. H. R. 5638 by Rep. Aspinall, to authorize the Secretary of the Interior to employ aliens in a scientific or technical capacity; to Interior and Insular Affairs Committee.

H. R. 5654 by Rep. Fascell, to provide for expanded research in the oceans and the Great Lakes to establish a National Oceanographic Council; to Merchant Marine and Fisheries Committee.

21. RECLAMATION. H. R. 5666 by Rep. King, Utah, to amend the Small Reclamation Projects Act of 1956; to Interior and Insular Affairs Committee.

H. R. 5692 by Rep. Duncan, Oregon, to authorize the Secretary of the Interior to construct, operate, and maintain the Illinois Valley diversion, Rogue River Basin project, Oregon; to Interior and Insular Affairs Committee.

22. PATENTS. H. R. 5675 by Rep. Rodino, to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to Judiciary Committee.

H. R. 5680 by Rep. St. Onge, for the general revision of the copyright law, title 17 of the United States Code; to Judiciary Committee.

23. PERSONNEL. H. R. 5685 by Rep. Sikes, to amend the Civil Service Retirement Act to permit retirement with full annuity upon attainment of the age of 55 years and completion of 30 years of service, to liberalize the formula for computation of reduced annuity; to Post Office and Civil Service Committee.

H. R. 5694 by Rep. Horton, to amend the Civil Service Retirement Act to provide for the adjustment of inequities ; to Post Office and Civil Service Committee. Remarks of author pp. 3851-2

H. R. 5695 by Rep. Horton, to amend the Civil Service Retirement Act, as amended, to provide for the recomputation of annuities of certain retired employees who elected reduced annuities at the time of retirement in order to provide survivor annuities for their spouses, and for the recomputation of survivor annuities for the surviving spouses of certain former employees who died in service or after retirement; to Post Office and Civil Service Committee.

24. POSTAL SERVICES. H. R. 5668 by Rep. Lindsay, to amend title 39, United States Code, to encourage the use by volume mailers of ZIP code through postage rate concessions; to Post Office and Civil Service Committee.

25. HAWAII. H. R. 5671 by Rep. Mink, to authorize the Secretary of the Interior to make a loan and grant to the State of Hawaii for the construction of the Kokee water project; Hawaii; to Interior and Insular Affairs Committee.

26. WOOL. H. R. 5690 by Rep. Burton, Utah, to extend the operation of the National Wool Act of 1954, as amended; to Agriculture Committee.

27. WEED CONTROL. H. R. 5696 by Rep. Long, Maryland, to provide for the control and progressive eradication of certain aquatic plants in the States of Maryland, Virginia, New Jersey, and Tennessee; to Public Works Committee.

13. DATA PROCESSING. Received from the President a report on the management of automatic data processing in the Federal Government (p. 3976). Unanimous concent was granted to print the report as a Senate document (S. Doc. 15) (p. 4010).

14. PEANUTS. Received from this Department a proposed bill to amend the Agricultural Act of 1949 so as to eliminate the requirement that the price support level for peanuts be dependent upon carryover stocks at the beginning of the marketing year; to Agriculture and Forestry Committee. p. 3976

15. CROP INSURANCE. Sens. Allott, Tower, Long, Mo., Montoya, and Yarborough were added as cosponsors of S. 1276, to permit the Federal Crop Insurance Corporation to continue to make insurance available to farmers in high-risk counties and areas. pp. 4010, 4011

16. NOMINATION. Confirmed the nomination of John W. Macy, Jr., to be Chairman of the Civil Service Commission for a 6-year term. p. 4012

17. TRANSPORTATION. Sen. Morse inserted a speech by Nicholas Johnson, Maritime Administrator, reviewing the merchant marine program, "The American Partnership: The U. S. Merchant Marine." pp. 4045-8

18. POVERTY. Sen. Pell inserted a speech by Sen. Williams, N. J., commending the President's war on poverty. pp. 4059-60

19. MINERALS. Sen Gruening inserted and commended the Supreme Court's decision sustaining "the authority exercised by the Secretary of the Interior in the issuance of certain oil and gas leases in the Kenai National Moose Range on September 1, 1958." pp. 4061-5

20. FOOD; RADIOACTIVITY. Sen. Bartlett expressed concern over "hazards caused by the radioactive contamination in the Artic," and inserted an article, "Radioactivity in the Artic Food Chain." pp. 4074-5

21. ADJOURNED until Mon., Mar. 8. p. 4098

HOUSE

22. CROP LIENS. Received from USDA a proposed bill to amend the Agricultural Adjustment Act of 1938 to provide a uniform statute allowing for collection of marketing penalties which are due on allotment crops by placing a lien on the crop on which such penalty is incurred and on any subsequent crop of such commodity in which the subject person has an interest; to Agriculture Committee. p. 4138

23. INTER-AMERICAN DEVELOPMENT BANK. Agreed to the conference report on H.R. 45, to authorize $750 million for U. S. participation in the Fund for Special Operations of the Inter-American Development Bank. p. 4099

24. FLOOD CONTROL. Received from Army Dept. a compilation of preliminary examination, survey, and review reports on river and harbor, and flood control improvements. p. 4138

25. PUBLIC LAW 480. Received from Foreign Agricultural Service a report on a title 1, Public Law 480 agreement with Tunisia signed in February 1965. p. 4138

26. MANPOWER. The Education and Labor Committee voted to report (but did not actually report) H. R. 4257, to amend the Manpower Development and Training Act of 1962. p. D157

ITEMS IN APPENDIX

27. HOUSING. Extension of remarks of Sen. McIntyre commending the proposed housing program and inserting an editorial praising the President's housing message. pp. A953-4

28. POVERTY. Extension of remarks of Sen. McNamara inserting an article by Rabbi Richard C. Hertz which states, "The war on poverty is right, practical, necessary, and urgent." pp. A955-7

29. RESEARCH; FISHERIES. Extension of remarks of Sen. Magnuson inserting a report by a U. S. Navy captain on the Soviet Effort in Oceanography which he states is "proof...that we are engaged in a contest with the U. S. S. R. for the mastery of the oceans and their scientific secrets" and that we cannot afford to ignore this challenge. pp. A957-9

Extension of remarks of Sen. Magnuson urging support of his bill, S. 944, the proposed National Oceanographic Act of 1965, and inserting an article, "Oceanography and the National Welfare: A Vital New Field for Government--Industry Cooperation." pp. A969-70

30. APPROPRIATIONS. Speech in the House by Rep. Flynt paying tribute, on the occasion of the 100th anniversary of the House Appropriations Committee, to its chairman, Rep. Mahon, and numerous others who have served the committee. pp. A961-2

31. CITRUS FRUITS. Extension of remarks of Rep. Dyal calling attention to the National Orange Show in California and inserting letters from two constituents relative to citrus fruit production in the area. pp. A966-7

32. SUGARBEETS. Extension of remarks of Rep. Hansen, Idaho, inserting an Idaho Legislature memorial urging the enactment of legislation increasing the basic sugarbeet quota so as to allow the marketing of excess sugar produced at the request of USDA. pp. A971-2

BILLS INTRODUCED

33. POVERTY. S. 1382 by Sen. Tower, to amend the Economic Opportunity Act of 1964 with respect to wages paid for certain types of work pursuant to such act; to Labor and Public Welfare Committee. Remarks of author pp. 4004-5

S. 1383 by Rep. Tower, to amend the Economic Opportunity Act of 1964 with respect to certain political activities thereunder; to Labor and Public Welfare Committee. Remarks of author pp. 4004-5

34. HOUSING. S. 1354 by Sen. Sparkman, H. R. 5840 by Rep. Patman and H. R. 5841 by Rep. Barrett, to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities; to Banking and Currency Committee. Remarks of Sen. Sparkman pp. 4024-35, Remarks of Rep. Patman pp. 4100-21

March 5, 1965
Senate

12. ADJOURNED until Mon., Mar. 8. p. 4157

SENATE

13. MANPOWER. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendment S. 974, to amend the Manpower Development and Training Act of 1962. ~~p. D159~~

14. HEALTH. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendment S. 510, to extend and amend certain expiring provisions of the Public Health Service Act relating to community health services. p. D159

15. COMMISSIONS; TECHNOLOGY. The Labor and Public Welfare Committee voted to report (but did not actually report) the nomination of Garth L. Mangum to be Executive Director of the National Commission on Technology, Automation, and Economic Progress. p. D159

ITEMS IN APPENDIX

16. LIVESTOCK. Rep. Nelsen inserted an address, "Livestock Industry: 1964", discussing problems of the industry and urging developing research and educational programs to promote the use of meat. p. A982

17. SOIL CONSERVATION. Extension of remarks of Rep. Dole expressing concern over the proposed reduction in appropriations for Soil Conservation Service programs, and inserting an editorial which "points up the importance of its uninterrupted progress." pp. A982-3

18. COTTON. Extension of remarks of Rep. Boggs criticizing the cotton program and stating that our present "Government programs for cotton have prevented us from increasing our commerical exports of cotton and have, as a result, denied us an important and sizeable contribution to the solution of our balance-of-payments problem." pp. A988-9

19. APPROPRIATIONS. Speech in the House by Rep. Evins paying tribute to the leadership of the House Appropriations Committee. pp. A989-90

20. RECLAMATION. Extension of remarks of Rep. Johnson, Calif., in support of legislation for the construction of the Auburn-Folsom south project and inserting the text of a paper showing the need for this project. pp. A977-8

21. POVERTY. Extension of remarks of Rep. Martin, Ala., inserting an editorial critical of the Appalachian program stating that aid should be given impoverished regions anywhere in the country--not just the Appalachian region. p. A991

Extension of remarks of Rep. Cohelan commending and inserting an address on "Rural Poverty and Rural Areas Development." pp. A994-6

22. RESEARCH. Extension of remarks of Rep. Findley inserting an article in support of Rep. Wilson's bill to establish a National Oceanographic Agency. pp. A990-1

23. WATER POLLUTION. Rep. McCarthy inserted a newspaper editorial on the need for a strong Federal program for water pollution control. p. A991

BILLS INTRODUCED

24. WEATHER. H. R. 5865 by Rep. Harris, to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meterological services; to Interstate and Foreign Commerce Committee.

25. TRANSPORTATION. H. R. 5875 by Rep. Mize, to amend section 1 (14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply; to Interstate and Foreign Commerce Committee.

26. PEACE CORPS. H. R. 5876 by Rep. Morgan, to amend further the Peace Corps Act (75 Stat. 612), as amended, to Foreign Affairs Committee.

27. MONOPOLIES. H. R. 5877 by Rep. Morse, for the establishment of a Commission on Revision of Antitrust Laws of the United States; to Judiciary Committee.

28. FOREIGN AID. H. R. 5879 by Rep. Murphy, New York, to amend the Foreign Assistance Act of 1961 so as to provide for reductions in aid to countries in which property of the United States is damaged or destroyed by mob action; to Foreign Affairs Committee.

29. WOOL. H. R. 5882 by Rep. Poage, to extend the operation of the National Wool Act of 1954, as amended; to Agriculture Committee.

30. EDUCATION. H. R. 5890 by Rep. Steed, to authorize a 3-year program of grants for construction of veterinary medical education facilities, to Interstate and Foreign Commerce Committee.

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COMMITTEE HEARINGS MAR. 8:
Mineral exploration on certain national forest lands in Colo., H. Interior (Payne, FS, to testify).
Proposed closing of certain USDA research facilities, S. Appropriations.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

Issued March 12, 1965
For actions of March 11, 1965
89th-1st; No. 46

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HIGHLIGHTS: Sen. Curtis criticized proposed cuts in ACP and SCS appropriations. Sen. McGovern stated discriminatory freight rates threaten Mid-West flour-milling industry. House received N. Dak. resolution opposing proposed reductions in SCS appropriations. Several Reps. introduced and discussed bills to restrict CCC sales of wheat. Rep. Ullman urged establishment of Resources and Conservation Council.

SENATE

1. HEALTH. Passed as reported S. 510, to extend and amend certain expiring provisions of the Public Health Service Act relating to community health services, including extension until June 30, 1970, of the authorization for grants to assist in financing health services for domestic migratory agricultural workers and their families. pp. 4711-14

2. MANPOWER. Unanimous consent was granted for the Labor and Public Welfare Committee to file its report on S. 974, to amend the Manpower Development and Training Act, during adjournment of the Senate this week end. ~~p. 4707~~

3. APPROPRIATIONS. Sen. Curtis criticized proposed reductions in appropriations for the agricultural conservation program and for SCS technical assistance to farmers and ranchers, stated that the proposed cuts "threaten to undo much of the good work accomplished over the last 30 years." and inserted a county breakdown of funds expended in Nebr. for SCS technical assistance during fiscal year 1964. pp. 4741-2

4. TRANSPORTATION. Sen. McGovern stated that "the establishment of discriminatory freight rates, disrupting the historical balance between wheat and flour shipping costs, is threatening the flour-milling industry in the Middle West by forcing millers to relocate plants near large centers of population and consumption," and inserted a S. Dak. Legislature resolution urging enactment of legislation "providing for fair and equitable regulation of all modes of commercial transportation." p. 4751

5. POVERTY. Sen. Morse inserted a speech by Sen. McNamara to the National Committee for Community Development reviewing problems that may be encountered in administering the poverty program and suggesting ways in which the program should be implemented. pp. 4761-2

6. FOREIGN CURRENCIES. Sen. Hayden inserted tabulations on the expenditure of foreign currencies by certain Senate committees for travel abroad. pp. 4698-4702

7. FARM INCOME. Sen. Young, N. Dak., expressed concern over the level of farm income as compared with costs of operation and inserted a N. Dak. Legislature resolution urging adoption of "a system of price supports and production controls for agricultural commodities now covered by price supports that will assure adequate income for farmers and assure solvency for all of rural America." p. 4698

8. FOREIGN TRADE. Sen. Carlson stated that the recent dock strike on the southern and east coasts had a direct and adverce effect on the agriculture and economy of Kan., particularly with regard to the export of wheat and flour. pp. 4707-8

9. RADIOACTIVE FALLOUT. Sen. Gruening expressed concern over the possible adverce effects of radioactive fallout on human health and inserted an article, "Radioactive Fallout Threat to Eskimos." pp. 4750

10. ECONOMIC REPORT. The "Daily Digest" states that the Joint Economic Committee "approved its report on the President's Economic Report. It was announced that this report would be filed in the House on Wednesday, March 17." p. D183

11. ADJOURNED until Mon., Mar. 15. p. 4763

HOUSE

12. APPROPRIATIONS. Rep. Albert inserted the Committee on Appropriations' schedule for reporting and for action on appropriation bills for this session. p. 4632

13. ELECTRIFICATION. Rep. Rivers, Alaska, defended the proposed Rampart Dam project on Alaska's Yukon River against criticism in an editorial, "World's Biggest Boondoggle." p. 4269

14. RESEARCH. Rep. Roush discussed the geographic distribution of the research and development fund. pp. 4649-50

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

Issued March 16, 1965
For actions of March 15, 1965
89th-1st; No. 47

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HIGHLIGHTS: See page 7.

SENATE

1. MANPOWER. The Labor and Public Welfare Committee reported (on Mar. 12, during adjournment) with amendments S. 974, to amend the Manpower Development and Training Act (S. Rept. 123)(p. 4765). This bill was made the pending business (p. 4841).

2. USER CHARGES; SOIL CONSERVATION. Received N. Dak. and Wash. Legislature resolutions opposing proposed user charges on SCS technical assistance to farmers and ranchers. pp. 4770-1, 4771-2

3. BEEF EXPORTS. Sen. Sparkmen reviewed the results of the study by the Small Business Committee on ways of increasing beef exports, commended the reductions in ocean freight rates by some shippers on exports of beef, and urged greater efforts to stimulate such exports. pp. 4783-4

4. SOYBEANS. Sen. Miller commended the production capacity of the soybean industry stated that soybean production has increased from 203,395,000 bushels to 699,000,000 bushels from 1946 to 1964, and inserted an item predicting that the industry will find markets for this increased production. pp. 4846-7

5. TRANSPORTATION. Sen. Monroney expressed concern that as a result of "recent wheat rate reductions made by the railroads, without a corresponding reduction in flour rates, many of the flour mills located in the Great Plains area are faced with elimination or relocation," and inserted an Okla. Legislature resolution urging enactment of corrective legislation. pp. 4793-4

6. LEGISLATIVE ACCOMPLISHMENTS. Sen. Mansfield inserted a resume of legislative accomplishments so far this session of Congress. pp. 4766-8

7. ACP. Received from this Department the annual report on the agricultural conservation program for fiscal year 1964. p. 4769

8. QUALITY STABILIZATION. At the request of Sen. McCarthy, consent was granted for S. 1484, the proposed Quality Stabilization Act, to remain at the desk until Mar. 24, 1965. p. 4782

9. RESEARCH. Sen. Holland stated that the Agricultural Subcommittee of the Appropriations Committee will meet Mar. 19 to hear further testimony on the proposed closing of certain research facilities, after which a complete hearing record will be issued in one volume. pp. 4782-3

10. LANDS; WILD RIVERS. Sen. Jackson announced that the Interior and Insular Affairs Committee has scheduled hearings for Apr. 13 and 14 on S. 1446, to reserve certain public lands for a National Wild Rivers System. p. 4783

11. USER CHARGES. Sen. Robertson inserted regulations prescribed by the Secretary of the Interior covering recreation fees established pursuant to the Land and Water Conservation Fund Act of 1965. pp. 4818-9

12. DISASTER RELIEF. Sen. Bartlett urged enactment of legislation to provide Federal disaster assistance to Western States as a result of recent flood damage. pp. 4827-8

13. LEGISLATIVE PROCESS. The Vice President appointed Sens. Monroney, Sparkman, Metcalf, Mundt, Case, and Boggs as members of the Joint Committee on the Organization of Congress (p. 4861). Sen. Cooper inserted the statement of Sen. Allott in support of the establishment of this committee (pp. 4834-5).

14. TOBACCO. The "Daily Digest" states that the Agriculture and Forestry Committee met in executive session "to consider S. 821, to provide for acreage-poundage marketing quotas for tobacco, but took no final actions, and adjourned subject to call." p. D186

15. JOB CORPS. Sen. Miller inserted an Air Force Times article stating that trainees in the Job Corps receive higher pay tha recruits in the armed services. pp. 4842-4

Calendar No. 114

89TH CONGRESS, 1st Session | SENATE | REPORT No. 123

MANPOWER ACT OF 1965

MARCH 12, 1965.—Ordered to be printed
Filed under authority of the order of the Senate of March 11, 1965

Mr. CLARK, from the Committee on Labor and Public Welfare, submitted the following

REPORT

together with

SUPPLEMENTAL, INDIVIDUAL, AND ADDITIONAL VIEWS

[To accompany S. 974]

The Committee on Labor and Public Welfare, to whom was referred the bill (S. 974) to amend the Manpower Development and Training Act of 1962, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE AND EXPLANATION OF THE BILL

S. 974 was introduced at the request of the administration on February 2, 1965. Its purpose is to extend, expand, and improve the Manpower Development and Training Act of 1962 (hereinafter referred to as MDTA).

S. 974 amends the MDTA to broaden the research and experimental authority of the Secretary of Labor. It also directs the Secretary of Labor to promote, stimulate, and assist nationwide job development activities in the service occupations and related fields.

The training allowance provisions of title II of MDTA are improved and the role of private educational facilities in the manpower training program is clarified. The bill permits payment of daily commuting costs where such costs would be burdensome to the trainee and allows administrative increases in transportation and subsistence payments in States outside the continental limits of the United States. It permits a larger role for the States in setting up smaller training projects. In addition, manpower training activities in redevelopment areas heretofore carried out under the Area Redevelopment Act are transferred to the MDTA with a separate authorization.

35-010—65——1

The bill extends the program for 4 additional years, and retains full Federal financing for the program through June 30, 1966. Thereafter, the States will be required to contribute 10 percent of institutional training costs, with certain exceptions permitted at the discretion of the Secretary of Health, Education, and Welfare. The 10 percent may be in cash or in kind. The bill authorizes appropriations of $454 million for fiscal 1966 and such sums as may be necessary each fiscal year thereafter. Finally, it provides that reapportionment of funds among the States will not be effected prior to January 1 of each year and then only upon 30 days advance notice—except during the final quarter of the fiscal year.

Need for the Bill

The goal set by the Congress when it enacted MDTA in 1962 was to provide training for 400,000 jobless workers during the 3 years for which the program was originally authorized. This goal is now within reach.

This is the MDTA record so far:

> Training has been approved for almost 320,000 trainees of whom 135,000 are currently enrolled in training programs.
>
> Another 60,000 individuals have been made more employable through special demonstration projects tailored to the needs of the disadvantaged.
>
> Seventy-two percent of those completing institutional training have been placed in jobs.
>
> Ninety-four percent of those completing on-the-job training have been placed.
>
> Training, entry, or refresher courses, covering all skill fields, including technical and semiprofessional, skilled and semiskilled white collar, service, and agricultural occupations, have been offered under the program.
>
> Training opportunities for the long-term unemployed are receiving heavy emphasis. About half the in-school trainees were unemployed for 15 weeks or more prior to enrollment and one-third were jobless for more than half a year. One quarter of all trainees have been nonwhite workers.
>
> The program has concentrated much of its attention on youth, the group presently most afflicted by unemployment. During 1964, enrollment of youth rose to 38 percent of all enrollees in in-school training.
>
> Those with little education have also received special attention. Training of unemployed persons with less than grade-school education more than doubled during 1964.

While these accomplishments are gratifying to the committee, experience has also demonstrated the need for improvement. A number of changes in the MDTA statute have been found necessary.

As the President stated in his Economic Report:

> The promise in the Employment Act of job opportunities for all those able and wanting to work has not yet been fulfilled.

Four unprecedented years of economic expansion, coupled with a new and growing manpower retraining effort have not brought full employment. Yet there are shortages of qualified workers in many

industries and occupations. At the same time, there are some 3.7 million (5 percent of the labor force) unemployed citizens who want work but are unable to find it. There are 20 million Americans who lack the minimum training required for most jobs in today's complex economy. Another 1.3 million jobseekers will be added to the labor force this year, including a net rise of 500,000 in the number of teenage youngsters who must have a socially useful outlet for their youthful energies to say nothing of a hope of fulfilling their human aspirations. Many of these youth, some 7.5 million during the decade, will lack a high school diploma. To complicate matters further, the accelerating rate of technological innovation and its concomitant, sweeping changes in skill requirements of thousands of jobs, is putting a premium on advanced education and the increased adaptability it brings.

These are the manpower challenges; and one urgent need is to provide some measure of occupational adaptability to the legions of workers for whom it is already too late to provide "normal" educational opportunities. In response, several modifications in the MDTA have been recommended by the President and Secretary of Labor. The committee agreed substantially with those recommendations, with some modifications. The committee feels that the substantial successes of the MDTA clearly justify its extension. The causes of unemployment are acknowledged to be national in scope and its burdens should be borne by all. Many States and local governments are unable to provide matching funds. They simply do not have the resources to assume what is substantially a national obligation. Virtually all of the State Governors expressed their strong desire to the Secretary of Labor for the continuation of the MDTA. Many have specifically requested that the matching requirements now in the statute be eased.

We have much to learn in improving our manpower programs. The achievements already realized with the limited manpower research program already undertaken have been exceedingly useful. They have indicated the huge potential contribution which manpower development programs can make to the restoration of full employment. The committee recommends that the research and demonstration provisions of the act be expanded so that further experimentation can be carried out.

The several modifications in the training allowance provisions will assure that the central purposes of the act are served, particularly training of the disadvantaged and other unemployed who genuinely require it. Experience has fully demonstrated that training allowances are critical to the success of MDTA programs.

Eligibility for training allowances largely determines the capacity of most workers to accept training and the length of time they can continue in training status. The changes in training allowances—lengthening the period of eligibility, making more disadvantaged and needy people eligible, and increasing the amount for trainees with large families, are all designed to facilitate the retraining of the people who need it most.

Bringing the ARA training under the MDTA, will equalize the benefits of the two programs. It is a major step toward rationalizing and consolidating the Nation's manpower programs. Adequate safeguards are included in the bill to assure that the original purpose of ARA training is preserved.

Finally, one of the new features of the act is the proposed nationwide job development program. Secretary of Labor Wirtz, in testifying before the committee, requested the new provision to provide clear direction for the active development of jobs in the service area as an integral part of a comprehensive manpower program.

The committee was assured that findings of the Department confirm the fact that there is a great potential for job development and for trained people in service and related work. Without a specific, coordinated program those unfulfilled service demands, ranging from household help to appliance servicing and beyond, would, very probably, never be articulated, never enhance our gross national product, never provide the work so desperately needed by millions of idle hands.

The committee shares the conviction of the President of the United States, expressed publicly on February 1, 1965, "that a substantial number of jobs can be developed from presently existing and unmet service needs—in business, at home, on the farm, and in the community."

Major Provisions of the Bill, as Amended

S. 974, as amended by the committee would amend the Manpower Development and Training Act:

With respect to title I by—

(1) authorizing experimental and demonstration projects through grants or contracts;

(2) authorizing Federal assistance for job development in service industries;

(3) extending and clarifying labor mobility demonstration projects; and

(4) authorizing bonding and other job placement assistance for trainees who cannot secure employment for reasons other than their ability to perform.

With respect to title II by—

(1) permitting training allowance payments for up to 2 years, with increases for trainees with dependents;

(2) easing restrictions on the eligibility of single persons, family members, and youths for training allowances;

(3) authorizing transportation payments for commuting and permitting increases in transportation and subsistence allowance rates in certain areas;

(4) extending full Federal financing of training programs through June 30, 1966, and providing for 10 percent, in cash or in kind, non-Federal matching for institutional training costs thereafter where higher Federal funding is necessary for private training;

(5) establishing criteria for the use of private training facilities; and

(6) transferring the training provisions of the Area Redevelopment Act to the Manpower Development and Training Act.

With respect to title III by—

(1) restricting to the second half of any fiscal year the reapportionment of appropriated funds among the States and requiring prior notice to the States;

(2) increasing authorized appropriations for titles I and II;

(3) permitting State approval of small training programs; and
(4) extending the act to June 30, 1970.

Committee Amendments and Recommendations

In addition to technical amendments, the committee amended certain sections of the bill as introduced, and adopted additional amendments to the act.

TERMINATION OF TITLE II

The bill, as introduced, would make the Manpower Development and Training Act permanent legislation. The committee amended the bill to extend the present June 30, 1966 termination date of title II for an additional 4 years, to June 30, 1970. The committee is mindful of the problems encountered at the State and local levels in planning and staffing for future training programs under temporary legislation. However, the committee feels that a 4-year extension should enable the States to fully plan and meet staff requirements for future programs and permit full-scale development of essential manpower policies.

STATE MATCHING

The bill as introduced would require 10-percent matching, in cash or in kind, of all training costs from all non-Federal sources.

While the States, almost unanimously, enthusiastically favor continuation of MDTA training, only a handful are both able and willing to provide cash matching funds. Many States have virtually exhausted their revenue sources both with respect to borrowing and taxing. State indebtedness exceeds $92 billion—three times the indebtedness of just 12 years ago. Thus, recognition must be given to the fact that MDTA programs will not continue in many States if they are required to appropriate funds for matching.

The authorization for in-kind matching is designed to afford such States the opportunity to contribute toward training programs without the necessity of cash appropriations. It will, in addition, preserve local responsibility by encouraging the use of existing facilities for training.

The bill, as introduced, would require matching of training allowances as well as institutional training costs. Training allowances, by definition, cannot be matched except in cash, and the fair value of State-provided equipment, services, and facilities under most training programs is not sufficient to permit in-kind matching of total training costs.

The testimony of witnesses before the subcommittee disclosed that many States are without constitutional authority to provide matching funds for private education. At least one State, Oklahoma, is constitutionally prohibitedfrom contributing State funds toward public or private adult, noncollegiate education. Furthermore, private educational institutions cannot themselves be expected to match training costs, in cash or in kind.

The committee amendment would eliminate matching for training allowances and postpone the effective date of State matching for institutional training costs for an additional year, until June 30, 1966. The extension of full Federal financing for 1 more year will enable the

States and Federal Government to work out the administrative details of the limited matching requirements adopted by the committee.

Beginning June 30, 1966, Federal payments for institutional training costs would be limited to 90 percent of the cost to the States of carrying out agreements with the States for institutional training. In addition, the committee amendment would permit the Secretary of Health, Education, and Welfare, when necessary, to make payments to a State in excess of 90 percent where the Secretary determines either (1) that a State is without present constitutional authority to contribute to the cost of adult, noncollegiate, public, institutional training, or (2) that higher Federal payments are required for training in private institutions.

The exception for private training is intended to provide full Federal financing if necessary both where a State either cannot legally, or does not in a given training program, contribute to private education or training, or where a private institution itself does not provide in-kind or in-cash matching contributions.

While the committee realizes that under these matching provisions most training conducted in private institutions will be under full Federal financing, the committee feels that the door should not be closed to matching contributions from any source.

The committee considers that the State matching requirements of the bill, as reported, will enable all States to assume their full responsibility under the MDTA. The committee does not expect any further review of the matching provisions of the act will be necessary and considers the matching provisions as reported to be final.

NEED FOR PROFESSIONAL REORIENTATION AND REFRESHER COURSES

The committee has amended the statement of findings and purpose of the act to add a further congressional finding that because of defense and other industrial reductions or closings, professional employees who become unemployed are in need of refresher or reorientation courses to become qualified for other employment within their professions.

The finding is intended to express concern for the professionally trained individual whose particular skill becomes obsolete or who may have suffered from overspecialization. Such persons may be in need of reorientation or refresher courses within their area of general expertise. The committee does not feel it necessary to authorize any new training programs in this area since there is presently sufficient authority for such training in the act. The finding adopted by the committee is not intended to authorize the payment of training allowances to professional persons who would not otherwise be paid such allowances.

EXPERIMENTAL AND DEMONSTRATION PROJECTS

The committee is satisfied that there is need for expanded experimental and demonstration projects in order to develop new techniques for finding answers to complicated manpower problems.

The bill as introduced authorized contracts only with nonprofit private agencies. The committee amended the bill to permit the Secretary of Labor to contract for experimental and demonstration

projects with any private or public agency. Grants may be made only to public or nonprofit private agencies.

Although, it is expected that generally grants will be used for smaller research projects, this limitation would not apply to the establishment of manpower research centers which would require larger sums of money. Because the scope of the centers would encompass the encouragement of research, the training of researchers, and the establishment of long-term agreements with universities, larger sums should be available for these activities.

Authorization for experimental and demonstration projects under title I and the transfer of authorization for labor mobility projects from title II to title I will free such programs from the State matching and apportionment requirements of title II and permit the flexibility necessary for the conduct of operational research.

The committee recognizes the need for placement and bonding assistance to rehabilitated trainees with criminal records. However, the authorization for trainee bonding and other placement assistance is understood by the committee to be strictly experimental since such projects have not been tried heretofore. The funds for such projects are limited to $500,000 over the next 2 fiscal years.

JOB DEVELOPMENT PROGRAMS

The committee amended the bill as introduced to place the new provision for job development programs in service occupations in a separate section under title I.

TRAINING ALLOWANCE DURATION

The extension of the maximum duration of training allowance payments to 2 years is necessary to reduce the pressures on trainees in programs which have had to be accelerated to meet the present 52-week limit. Accelerated training has caused trainees who might otherwise complete training to drop out of programs because they are unable to absorb their training in such concentrated doses. The extension of the duration of training allowances will also permit programs in many of the more highly skilled and technical occupations.

COMPUTATION OF THE BASIC AMOUNT OF TRAINING ALLOWANCES

Under MDTA, the basic training allowance is the average weekly unemployment compensation payment for total unemployment. Some State unemployment insurance laws require the reduction of benefits paid to a recipient by the amount of pension payments, social security benefits, and other such payments which he receives. The effect has been to reduce the average weekly unemployment compensation payment by about $2 in such States. Trainees in such States are believed to be unfairly penalized.

The committee therefore amended the act to provide that the total amount paid to any individual who receives a reduced benefit check for the above reasons be disregarded when computing the weekly average unemployment compensation for the purposes of determining the basic amount of training allowances.

TRAINING ALLOWANCE INCREASES

The bill provides for additional allowances of $5 a week for each dependent over two up to a maximum of six.

The committee understands that the $10 increased training allowance provided by the 1963 amendments to the act is now paid on the basis of the number of persons in a trainee's household and the length of time a trainee has been in training. Thus, a trainee member of a household with three or more members is now eligible to receive an extra $5 a week for the first 4 weeks of training and an additional $5 a week thereafter. No extra allowance is paid to a trainee who lives in a household with fewer than three members during his first 10 weeks of training, but he may receive an extra $10 a week after the 10th week. The committee has been informed by the Department of Labor that the Department contemplates paying the extra $5 per dependent authorized by the bill in addition to the $10 presently permitted under the act. Thus, for example, a trainee with three dependents may have his basic allowance increased by $15 per week, $10 under the 1963 amendment and $5 for his third dependent. A trainee with six or more dependents may have his basic allowance increased by $30 a week.

TRANSPORTATION AND SUBSISTENCE PAYMENTS

The bill authorizes transportation allowances for commuting from a trainee's regular residence to his place of training. The committee recognizes the hardships which result when a trainee must use his training allowance payments for commuting expenses. The committee recommends that the Department of Labor adopt regulations specifying that commutation allowances be paid only for the least expensive form of transportation reasonably available to a trainee.

The committee added an additional amendment to the act to permit reasonable increases in the present rates of 10 cents per mile for transportation payments and $5 a day for subsistence payments in those areas, specifically, Hawaii and Alaska, where higher rate transportation is necessary and the minimum costs of room and board are in excess of $5 a day. In Alaska, for example, most trainees must use commercial air transportation at rates considerably in excess of the 10 cents per mile limit. The Federal per diem rates for Alaska and Hawaii are $21 as compared with $16 in the other 48 States. Such increases in transportation rates will not be authorized for commuting expenses.

ELIGIBILITY FOR TRAINING ALLOWANCES

The bill, as introduced, would permit the payment of training allowances to single persons without dependents and to more than one family member if the head of the family is unemployed. A committee amendment would permit payment of training allowances to family members, even though the head of the family is or becomes employed, where the Secretary of Labor determines such payments are necessary to enable a trainee to undertake or continue with training.

TRAINING ALLOWANCES FOR YOUTHS

The committee adopted an amendment authorizing the Secretary to continue training allowance payments to a youth who becomes 22 years of age while in training, provided he has substantially completed his training.

The committee amendment will permit the selection of youths for a training program who might otherwise be denied training because the duration of the program extends beyond his 22d birthday.

ON-THE-JOB TRAINING

The committee has learned that in the development and execution of on-the-job training programs, the division of responsibilities between the Department of Labor and the Department of Health, Education, and Welfare contemplated under section 204(c) of the act has not been observed. This provision contemplates that some degree of flexibility should be maintained. Nevertheless, under the clear language of the statute classroom instruction for on-the-job training programs, whether supplementary or related, is the responsibility of the Department of Health, Education, and Welfare and arrangements for such instruction must be agreed to by the Secretary of Health, Education, and Welfare or his designee.

The responsibility of the Secretary of Labor in connection with on-the-job training programs under section 204 relates to training provided at the jobsite, involving employer-employee relationships in which the trainee is acquiring production skills. Closer cooperation between the two Departments and strict compliance with the requirements of section 204(c) must be maintained.

The committee adopted an amendment to make it clear that classroom instruction conducted in conjunction with on-the-job training programs is to be conducted in conformity with the responsibilities of the Secretary of Health, Education, and Welfare.

The committee notes that the Department of Labor's budget for the fiscal year 1966 contemplates a goal of 60,000 trainees for on-the-job training—double the number projected for 1965. In addition, 40,000 trainees are projected in fiscal 1966 for on-the-job training programs in service occupations pursuant to the new job development programs. The committee welcomes this expansion of on-the-job training and recommends that increased emphasis be given to on-the-job training programs in the coming years.

PRIVATE INSTITUTIONAL TRAINING

The committee adopted an amendment setting forth specific guidelines for the States to follow in determining whether to use public or private facilities for institutional training. The committee feels that the present requirement that private facilities can only be used if they make possible reduced Federal expenditures is too restrictive and tends to discourage the States' use of private institutions where existing private facilities might have advantages over public facilities. Specifically, private institutions may have equipment or services not available in public facilities. Furthermore, training of individuals may be facilitated where a particular training course is available at

a private school. In this connection, the committee feels that referrals of individuals for training should receive increased emphasis.

REDEVELOPMENT AREA TRAINING

The bill, in a new section, incorporates the training provisions of the Area Redevelopment Act under MDTA. The committee adopted several clarifying amendments to make it clear that, with four specified exceptions, ARA training programs will be operated in accordance with the provisions of the MDTA.

The four exceptions provide that (1) occupational training and retraining needs will be determined by the Secretaries of Labor and Commerce; (2) all unemployed and underemployed persons residing in redevelopment areas will be eligible for training and training allowances; (3) no State matching will be required; and (4) appropriated funds will not be apportioned among the States.

The committee wishes to make it clear that the authorization for ARA training under MDTA and repeal of sections 16 and 17 of the Area Redevelopment Act is intended primarily as a legal consolidation rather than change in operating procedures. The scope, purposes and emphasis of ARA training are not in any way altered or diminished. Thus, for example, consideration is expected to be given, as is required by subsection 16(f) of the Area Redevelopment Act, "to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations." Training for redevelopment areas will continue as in the past except for the expansion of training programs which result from the increased authorized duration and amounts of training allowance payments and additional funds available for ARA training.

REAPPORTIONMENT OF FUNDS

The committee adopted an amendment which will limit the reapportionment of funds among the States to the second half of any fiscal year. The committee amendment will also require 30 days' prior notice to a State before any Federal funds originally apportioned to the State are reapportioned. Prior notice will not be required, however, during the last quarter of a fiscal year.

The committee feels that this amendment is necessary to alleviate hardships which, in the past, have been caused in some States where funds apportioned to the State are, suddenly, and without adequate notice, withdrawn and placed in the "national pool" prior to being reapportioned among the States. The committee believes that 30 days' notice will enable the States to complete the planning and secure necessary approval of inprocess training programs before funds are withdrawn to the national pool.

AUTHORIZED APPROPRIATIONS

The committee has amended the bill, as introduced, to retain specific authorization figures under each title of the act for the fiscal year 1966.

Authorization of appropriations are increased to $46 million under title I, $385 million under parts A and B of title II, and $22 million under part C (the area redevelopment training provisions) of title II. The present authorization of $1 million for title III is retained. Such sums as may be necessary are authorized for succeeding fiscal years.

USE OF APPROPRIATED FUNDS

Under existing law when a training program is approved the costs of training are obligated in their entirety against the appropriation current at the time of approval of the program. This is not the situation with respect to training allowances.

Training allowances become a legal commitment on the part of the United States only after the trainees are selected and referred and the commitment is made to the individual trainees so that they will receive the training allowances. Thus, if a training program is approved on the first of June, for example, the training cost in its entirety becomes an obligation against the then current appropriation. The selection and referral of the trainees and the commitment to them may, however, not be made until the next fiscal year. The training program may be a multiple occupation program under which trainees are selected and referred at varying periods.

Consequently, there have been serious complications in the fiscal management of the programs. The result has been that a program approved in 1 fiscal year in a State creates a contingent commitment for training allowances against the next fiscal year's appropriation.

The bill would authorize the obligation of all costs of training and training allowances against the appropriation current at the time the total program is approved without regard to when the trainees are selected and referred.

LIMITED STATE APPROVAL OF SMALL TRAINING PROGRAMS

The committee adopted an amendment which will permit the Secretaries of Labor and Health, Education, and Welfare to establish procedures whereby the approval of any training program, the cost of which does not exceed $75,000, may be delegated to a State.

The recommendation for local approval of smaller training programs should not be construed as in any way indicating that the committee expects all or, necessarily, even a substantial proportion of such program approvals to be delegated by the Secretaries. On the contrary, it is expected that the Secretaries will use their discretionary authority only in cases where local approval will clearly facilitate operation of the MDTA program.

SECRETARIES' REPORTS

Section 309(a) of the act requires the Secretary of Labor to report to Congress each year, evaluating the programs under title I and part A of title II, their effectiveness in securing full-time employment for persons trained under the act, the need for continuing programs and making recommendations for their improvement. Thus far, the Department of Labor has conducted only minimal evaluation and followup studies on trainees and persons considered for training. The committee feels that section 309(a) of the act contemplates that the Secretary submit, along with his report on the operation of the

programs, an outline of his plans and procedures for the evaluation of MDTA operations in the year ahead. Such plans might include, among other things, thorough studies of the effects and results of training a year after its completion, indicating, for example, whether trainees have upgraded the skills learned in the program. Comparison studies of the current status of those who were refused admittance to the program and those who failed to complete their training might also be included. This will insure that the executive departments gather the information Congress needs if its voice in policymaking is to be effective.

Section-by-Section Analysis of the Bill as Reported

TITLE I AMENDMENTS

Section 2 of S. 974, as reported by the committee, amends section 101 of the act by inserting before the last sentence the further finding of Congress that professional employees who have become unemployed because of reductions or changes in national defense or other industrial activities, are in need of refresher or reorientation courses in order to qualify for other employment in their professions.

Section 3(a) amends section 102(5) of the act by adding the words "through grants or contracts" after the word "arrange" to make it clear that arrangements for the conduct of research and investigations may be made through grants or contracts.

Section 3(b) adds a new paragraph (6) to section 102 of the act directing the Secretary of Labor to undertake experimental and pilot projects through grants with public or private nonprofit agencies, or through contracts with public or any appropriate private agency, to improve the techniques and demonstrate the effectiveness of specialized methods in meeting the manpower and training problems of worker groups, such as hardcore unemployed, the handicapped, older workers, and members of minority groups.

Section 4 adds the following new sections to the act (renumbering present secs. 103 and 104 accordingly):

(*1*) *New section 103, job development programs;* directs the Secretary of Labor to assist, in cooperation with public and private agencies, in the development of programs for on-the-job and other training in service occupations.

(*2*) *New section 104, labor mobility demonstration projects;* the provision authorizing these projects is removed from title II and placed in title I. Authority to conduct relocation projects is extended for 2 more years; the present requirement that Federal grants to meet relocation expenses be limited to 50 percent is eliminated; conditions with respect to loans are clarified; and the limit on use of appropriated funds in any fiscal year for labor mobility projects is increased from $4 to $5 million.

(*3*) *New section 105, trainee placement assistance demonstration projects;* provides for demonstration projects to assist in placement of trainees who cannot obtain jobs for reasons other than their ability to perform. Assistance would be provided particularly for those who, because they have criminal records, cannot secure necessary indemnity bonds. Funds available for such projects are limited to $200,000 for fiscal year 1966 and to $300,000 for fiscal 1967.

TITLE II AMENDMENTS

Section 5 of the bill is a conforming amendment to section 202(i) of the act eliminating the additional 20-week eligibility for training allowances for persons selected for basic education courses.

Section 6(a) amends section 203(a) of the act to—

(1) permit the payment of training allowances up to 2 years;

(2) eliminate the taking of deductions required by some State laws in computing the weekly average unemployment compensation to arrive at the basic amount of training allowances payable to trainees;

(3) permit increases in the basic amount of training allowance payments by $5 a week for each dependent over two up to a maximum of six dependents; and

(4) permit on-the-job trainees to engage in up to 20 hours of outside work without a reduction in their training allowances.

Section 6(b) amends section 203(b) of the act to—

(1) authorize transportation allowances for commuting from a trainee's regular residence to his place of training; and

(2) permit reasonable increases in the 10 cents per mile limit on transportation payments and the $5 per day limit on subsistence payments in the noncontiguous States and territories where the Secretary of Labor determines increases are necessary.

Section 6(c) amends section 203(c) of the act to permit single persons without dependents and more than one member of a family to receive training allowances. Training allowances, however, may not be paid to members of a family if the head of the family is employed unless the Secretary of Labor determines allowances are necessary for a trainee to undertake or continue with training. In addition, training allowances are prohibited where the head of a family terminates his employment to qualify his dependents for training allowances.

Section 6(c) further amends section 203(c) of the act to provide that more than 25 percent of persons receiving training may be youths under age 22, if necessary for effective management of training programs. In addition, allowances for youths may be continued when a youth becomes 22 years old during the course of his training if he has substantially completed his training.

Section 6(d) repeals section 203(d) of the act, thus eliminating the requirement that training allowances be matched by the States.

Section 7 amends section 204(c) of the act by making it clear that where on-the-job training programs require supplementary classroom instruction, whether institutional or on-site, arrangements for such instruction are to be made in conformity with the responsibilities of the Secretary of Health, Education, and Welfare under section 231.

Section 8 is a conforming amendment repealing section 208 of the act, the present authorization for labor mobility projects.

Section 9(a) amends the second sentence of section 231 of the act by setting forth guidelines which the States may use in determining whether institutional training is to be provided in public or private facilities. Training may be provided in private institutions where such institutions can (1) provide substantially equivalent training at comparable costs, or (2) provide equipment or services not available in public institutions, or (3) make possible expanded use of individual referrals for training, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages.

Section 9(b) amends the third sentence of section 231 of the act by extending full Federal financing of institutional training costs through June 30, 1966. Thereafter, States will be required to match 10 percent of institutional training costs except where the Secretary of Health, Education, and Welfare determines that a State is without constitutional authority to contribute to adult, noncollegiate, public education or that increased Federal financing is necessary to conduct training programs in private institutions. Matching contributions may be in cash or in kind.

Section 10 adds to title II of the act new part C, section 251, providing that training programs in areas designated as redevelopment areas under ARA are to be carried out under the Manpower Development and Training Act, thus eliminating the need for separate training provisions under ARA. The training provisions of ARA are repealed. Area redevelopment training will be subject to the provisions and limitations of the Manpower Development and Training Act except that (1) occupational training and retraining needs will be determined by the Secretaries of Labor and Commerce; (2) all unemployed and underemployed persons residing in redevelopment areas will be eligible for training and training allowances; (3) no State matching will be required; and (4) appropriated funds will not be apportioned among the States.

TITLE III AMENDMENTS

Section 11 of the bill amends section 301 of the act by restricting the reapportionment of any funds apportioned to a State to the second half of any fiscal year and requiring 30 days prior notice to the State of any reapportionment except during the last quarter of the fiscal year.

Section 12 is a technical amendment to section 302 of the act adding the Vocational Education Act of 1963 to the enumerated acts set forth in section 302.

Section 13 amends section 304 of the act by authorizing appropriations for the fiscal year ending June 30, 1966, of $46 million for title I, $385 million for parts A and B of title II, $22 million for part C of title II, and $1 million for title III of the act.

Section 14 adds a new subsection (e) to section 305 of the act to provide that the costs of training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year, and to permit the non-Federal contribution to be based on the matching requirement in existence at the time the training program is approved. Thus, training programs approved before June 30, 1966, will not require matching by the States, even though payments to States are made after that date.

Section 15 amends section 306(a) of the act by authorizing the Secretaries of Labor and Health, Education, and Welfare to establish procedures for the approval at the State level of training programs the cost of which is not more than $75,000.

Section 16 is a technical amendment to section 309 of the act.

Section 17 amends section 310 of the act to extent the termination date of title II for an additional 4 years, until June 30, 1970.

Changes in Existing Law

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED [1] (42 U.S.C. 2571–2620)

AN ACT Relating to manpower requirements, resources, development, and utilization, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Development and Training Act of 1962".

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT AND UTILIZATION

STATEMENT OF FINDINGS AND PURPOSE

Sec. 101. The Congress finds that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories; that even in periods of high unemployment, many employment opportunities remain unfilled because of the shortages of qualified personnel; and that it is in the national interest that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained as quickly as is reasonably possible, in order that the Nation may meet the staffing requirements of the struggle for freedom. The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments, foreign competition, relocation of industry, shifts in market demands, and other changes in the structure of the economy; that Government leadership is necessary to insure that the benefits of automation do not become burdens of widespread unemployment; that the problem of assuring sufficient employment opportunities will be compounded by the extraordinarily rapid growth of the labor force in the next decade, particularly by the entrance of young people into the labor force, that improved planning and expanded efforts will be required to assure that men, women, and young people will be trained and available to meet shifting employment needs; that many persons now unemployed or underemployed, in order to become qualified for reemployment or full employment must be assisted in providing themselves with skills which are or will be in demand in the labor market; that the skills of many persons now employed are inadequate to enable them to make their maximum contribution to the Nation's economy;

[1] Public Law 87–415, Mar. 15, 1962, 76 Stat. 24–33, as amended by Public Law 87–729, Oct. 1, 1962, 76 Stat. 679; as amended by Public Law 88–214, Dec. 19, 1963.

and that it is in the national interest that the opportunity to acquire new skills be afforded to these people with the least delay in order to alleviate the hardships of unemployment, reduce the cost of unemployment compensation and public assistance, and to increase the Nation's productivity and its capacity to meet the requirements of the space age. *The Congress further finds that, because of reductions in, or changes in the nature, kind, or extent of, national defense and other industrial activities, many professional employees have become unemployed, and because of the specialized nature of their previous employment, are in need of refresher or reorientation educational courses in order to become qualified for other employment in their professions.* It is therefore the purpose of this Act to require the Federal Government to appraise the manpower requirements and resources of the Nation, and to develop and apply the information and methods needed to deal with the problems of unemployment resulting from automation and technological changes and other types of persistent unemployment.

EVALUATION, INFORMATION, AND RESEARCH

SEC. 102. To assist the Nation in accomplishing the objectives of technological progress while avoiding or minimizing individual hardship and widespread unemployment, the Secretary of Labor shall—

(1) evaluate the impact of, and benefits and problems created by automation, technological progress, and other changes in the structure of production and demand on the use of the Nation's human resources; establish techniques and methods for detecting in advance the potential impact of such developments; develop solutions to these problems, and publish findings pertaining thereto;

(2) establish a program of factual studies of practices of employers and unions which tend to impede the mobility of workers or which facilitate mobility, including but not limited to early retirement and vesting provisions and practices under private compensation plans; the extension of health, welfare, and insurance benefits to laid-off workers; the operation of severance pay plans; and the use of extended leave plans for education and training purposes. A report on these studies shall be included as a part of the Secretary's report required under section 104;

(3) appraise the adequacy of the Nation's manpower development efforts to meet foreseeable manpower needs and recommend needed adjustments, including methods for promoting the most effective occupational utilization of and providing useful work experience and training opportunities for untrained and inexperienced youth;

(4) promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization, including prevention and amelioration of undesirable manpower effects from automation and other technological developments and improvement of the mobility of workers; and

(5) [arrange] *arrange through grants or contracts*, for the conduct of such research and investigations as give promise of furthering the objectives of this Act.

(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants with public or private nonprofit agencies or contracts with any appropriate private agency, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act.

JOB DEVELOPMENT PROGRAMS

SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

LABOR MOBILITY DEMONSTRATION PROJECTS

SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

(1) there is reasonable assurance of repayment of the loan;

(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration

the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

(5) the loan is repayable within not more than ten years.

(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

SEC. 105. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.

SKILL AND TRAINING REQUIREMENTS

SEC. [103] *106*. The Secretary of Labor shall develop, compile, and make available, in such manner as he deems appropriate, information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, and employment trends on a National, State, area, or other appropriate basis which shall be used in the educational, training, counseling, and placement activities performed under this Act.

MANPOWER REPORT

SEC. [104] *107*. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training; and the President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1963) a report pertaining to manpower requirements, resources, utilization and training.

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

PART A—DUTIES OF THE SECRETARY OF LABOR

GENERAL RESPONSIBILITY

SEC. 201. In carrying out the purposes of this Act, the Secretary of Labor shall determine the skill requirements of the economy, develop policies for the adequate occupational development and max-

imum utilization of the skills of the Nation's workers, promote and encourage the development of broad and diversified training programs, including on-the-job training, designed to qualify for employment the many persons who cannot reasonably be expected to secure full-time employment without such training, and to equip the Nation's workers with the new and improved skills that are or will be required.

SELECTION OF TRAINEES

SEC. 202. (a) The Secretary of Labor shall provide a program for testing, counseling, and selecting for occupational training under this Act those unemployed or underemployed persons who cannot reasonably be expected to secure appropriate full-time employment without training. Workers in farm families with less than $1,200 annual net family income shall be considered unemployed for the purpose of this Act.

(b) Whenever appropriate the Secretary shall provide a special program for the testing, counseling, selection, and referral of youths, sixteen years of age or older, for occupational training and further schooling, who because of inadequate educational background and work preparation are unable to qualify for and obtain employment without such training and schooling.

(c) Although priority in referral for training shall be extended to unemployed persons, the Secretary of Labor shall, to the maximum extent possible, also refer other persons qualified for training programs which will enable them to acquire needed skills. Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence.

(d) The Secretary of Labor shall determine the occupational training needs of referred persons, provide for their orderly selection and referral for training under this Act, and provide counseling and placement services to persons who have completed their training, as well as follow-up studies to determine whether the programs provided meet the occupational training needs of the persons referred.

(e) Before selecting a person for training, other than for training under subsection (i), the Secretary shall determine that there is a reasonable expectation of employment in the occupation for which the person is to be trained. If such employment is not available in the area in which the person resides, the Secretary shall obtain reasonable assurance of such person's willingness to accept employment outside his area of residence.

(f) The Secretary shall not refer persons for training in an occupation which requires less than two weeks training, unless there are immediate employment opportunities in such occupation.

(g) The duration of any training program to which a person is referred shall be reasonable and consistent with the occupation for which the person is being trained.

(h) Upon certification by the responsible training agency that a person who has been referred for training does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, the Secretary shall forthwith terminate his training and subsistence allowances, and his transportation allowances except such as may be necessary to enable him to return to his regular place of residence after termination of training, and withdraw his

referral. Such person shall not be eligible for such allowances for one year thereafter.

(i) Whenever appropriate, the Secretary of Labor may also refer for the attainment of basic education skills those eligible persons who indicate their intention to, and will thereby be able to, pursue courses of occupational training of a type for which there appears to be reasonable expectation of employment. Such referrals shall be considered a referral for training within the meaning of this Act[, and such person shall be eligible for training allowances for not to exceed an additional twenty weeks.].

TRAINING ALLOWANCES

SEC. 203. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents for the United States, to make payment of weekly training allowances to unemployed persons selected for training pursuant to the provisions of section 202 and undergoing such training in a program operated pursuant to the provisions of the Act. Such payments shall be made for a period not exceeding [fifty-two] *one hundred and four* weeks, [(except where authorized for individuals referred for training under section 202(i)),] and the *basic* amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly *gross* unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent [calendar] *four-calendar* quarter for which such data are available: *Provided* [*however*], *That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of [such] *his total* allowance, *including payments for dependents*, shall receive an allowance increased by the amount of such excess. With respect to Guam and the Virgin Islands the Secretary shall by regulation determine the amount of the training allowance to be paid any eligible person taking training under this Act.

With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than [$10 more than the average weekly unemployment compensation payment] *the total training allowance*, [(]including [allowances] *payments* for dependents[)]], *provided for by the preceding paragraph*, [for a week of total unemployment in the State making such payments during the most recent quarter for which such data are available,] a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. [This] *The* supplemental training allowance shall not exceed the difference between his unemployment compensation and [$10 more than the average weekly unemployment compensation payment referred to above.] *the training allowance provided by the preceding paragraph.*

For persons undergoing on-the-job training, the amount of any payment which would otherwise be made by the Secretary of Labor under this section shall be reduced by an amount which bears the same ratio to that payment as the number of compensated hours per week *under the training program*, bears to forty hours.

[The training allowance of a person engaged in full-time training under section 231 shall not be reduced on account of his part-time employment which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week.]

The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week.

(b) The Secretary of Labor is authorized to pay to any person engaged in training under this title, including compensated full-time on-the-job training, such sums as he may determine to be necessary to defray [transportation] *transportation,* [and subsistence expenses for separate maintenance of such persons when such training is provided in facilities which are not within commuting distance of their regular place of residence:] *and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee: Provided,* That the Secretary in defraying such subsistence expenses shall not afford any individual an allowance exceeding $35 per week, at the rate of $5 per day; nor shall the Secretary authorize any transportation expenditure exceeding the rate of 10 cents per [miles] *mile, except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe.*

(c) The Secretary of Labor shall pay training allowances only to unemployed persons who have had [not less than] *at least* two years of experience in gainful employment [and who are either heads of families or heads of households as defined in the Internal Revenue Code of 1954, or who are members of a household in which the head of the household or the head of the family is unemployed: *Provided,* That not more than one person in any one household may be receiving training allowances under this Act at any particular time.] *: Provided, That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or continue training: Provided further, That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section.* Notwithstanding the preceding sentence, the Secretary may pay training allowances at a rate not

in excess of $20 a week to youths seventeen years of age or older who require such training allowance in order to undertake training, who are referred for training in accordance with section 202(b), and who are not entitled to allowances under the preceding sentence, except that no such training allowance shall be paid to any such youth who has not graduated from high school, unless the Secretary has satisfied himself that such youth has continuously failed to attend school for a period of not less than one year and that the local authorities after pursuing all appropriate procedures, including guidance and counseling, have concluded, after considering any assistance available under section 13 of the Vocational Education Act of 1963, that further school attendance by such youth in any regular academic or vocational program is no longer practicable under the circumstances. [Not more than 25 per centum of the persons who are receiving training allowances (or who would be entitled thereto but for receipt of unemployment compensation) may be youths under the age of twenty-two.] *The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes 22 years of age during the course of his training, if he has completed a substantial part of such training.*

[(d) For the fiscal year ending June 30, 1966, any amount paid to a State for training allowances under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid on condition that such State shall bear 33⅓ per centum of the amount of such payments, and for each fiscal year thereafter such amounts shall be paid on condition that such State shall bear 50 per centum of the amount of such payments.]

[(e)] *(d)* No training allowance shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied training allowances for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

[(f)] *(e)* A person who refuses, without good cause, to accept training under this Act shall not, for one year thereafter, be entitled to training allowances.

[(g)] *(f)* Any agreement under this section may contain such provisions (including, as far as may be appropriate, provisions authori ed or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in regulations hereinafter authorized determinations by any duly designated officer or agency as to the eligibility of persons for

weekly training allowances under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

[(h)] *(g)* (1) If State unemployment compensation payments are paid to a person taking training under this Act and eligible for a training allowance, the State making such payments shall be reimbursed from funds herein appropriated. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the States and such amount shall then be placed in the State's unemployment trust fund account.

(2) If employment benefits under the Railroad Unemployment Insurance Act are paid to a person taking training under this Act and eligible for a training allowance, the railroad unemployment insurance account in the unemployment trust fund shall be reimbursed, from funds herein appropriated, for all of such benefits [paid prior to July 1, 1965, for 66⅔ per centum of the amount of such benefits paid during the fiscal year ending June 30, 1966, and 50 per centum of the amount of such benefits paid thereafter.] *paid.* The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the Railroad Retirement Board and such amount shall then be placed in the railroad unemployment insurance account.

[(i)] *(h)* A person who, in connection with an occupational training program, has received a training allowance or whose unemployment compensation payments were reimbursed under the provisions of this Act or any other Federal Act shall not be entitled to training allowances under this Act for one year after the completion or other termination (for other than good cause) of the training with respect to which such allowance or payment was made.

[(j)] *(i)* No training allowance shall be paid to any person who is receiving training for an occupation which requires a training period of less than six days.

ON-THE-JOB TRAINING

SEC. 204. (a) The Secretary of Labor shall encourage, develop, and secure the adoption of programs for on-the-job training needed to equip persons selected for training with the appropriate skills. The Secretary shall, to the maximum extent possible, secure the adoption by the States and by private and public agencies, employers, trade associations, labor organizations and other industrial and community groups which he determines are qualified to conduct effective training programs under this title of such programs as he approves, and for this purpose he is authorized to enter into appropriate agreements with them.

(b) In adopting or approving any training program under this part, and as a condition to the expenditure of funds for any such program, the Secretary shall make such arrangements as he deems necessary to insure adherance to appropriate training standards, including assurances—

(1) that the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment;

(2) that the training period is reasonable and consistent with periods customarily required for comparable training;

(3) that adequate and safe facilities, and adequate personnel and records of attendance and progress are provided; and

(4) that the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, considering such factors as industry, geographical region, and trainee proficiency.

(c) Where on-the-job training programs under this part require supplementary *and related* classroom instruction, *whether onsite or institutional in nature*, appropriate arrangements for such instruction shall be *in conformity with sec. 231 of this act, and shall be* agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.

ADVISORY COMMITTEES

SEC. 205. (a) The Secretary shall appoint a National Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this title, the Secretary shall, where appropriate, require the organization on a community, State, and/or regional basis of labor-management-public advisory committees.

(c) The National Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

(d) Appointed members of the National Advisory Committee shall be paid compensation at the rate of $50 per diem when engaged in the work of the National Advisory Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(e)(1) Any member of the National Advisory Committee is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

(2) The exemption granted by paragraph (1) of this subsection shall not extend—

(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment, or

(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment.

STATE AGREEMENTS

SEC. 206. (a) The Secretary of Labor is authorized to enter into an agreement with each State, or with the appropriate agency of each State, pursuant to which the Secretary of Labor may, for the purpose of carrying out his functions and duties under this title, utilize the services of the appropriate State agency and, notwithstanding any other provision of law, may make payments to such State or appropriate agency for expenses incurred for such purposes.

(b) Any agreement under this section may contain such provisions as will promote effective administration, protect the United States against loss and insure that the functions and duties to be carried out by the appropriate State agency are performed in a manner satisfactory to the Secretary.

RULES AND REGULATIONS

SEC. 207. The Secretary of Labor shall prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

[LABOR MOBILITY DEMONSTRATION PROJECTS

[SEC. 208. During the period ending June 30, 1965, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed. Where such assistance is provided in the form of grants, such grants may not exceed 50 per centum of the expenses incurred reasonably necessary to the transportation of the person who is relocating, and his family, and their household effects. Where such assistance is provided in the form of loans, or a combination of loans and grants, the total amount thereof may not exceed 100 per centum of such expenses and shall be made subject to such terms and conditions as the Secretary may prescribe. Of the funds appropriated for a fiscal year to carry out this title, not more than 2 per centum thereof, or $4,000,000, whichever is the lesser, may be used for the purposes of this section.]

PART B—DUTIES OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

GENERAL RESPONSIBILITY

SEC. 231. The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title enter into agreements with States under which the appropriate State vocational education agencies will undertake to provide training needed to equip persons referred to the Secretary of Health, Education, and Welfare by the

Secretary of Labor pursuant to section 202, for the occupations specified in the referrals, except that with respect to education to be provided pursuant to referrals under subsection (b) or (i) of section 202, the Secretary of Health, Education, and Welfare may make arrangements for the provision of the education to be provided under such subsection through other appropriate education agencies. [Such State agencies shall provide for such training through public education agencies or institutions or through arrangements with private educational or training institutions where such institutions can provide substantially equivalent training with reduced Federal expenditures.] *Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can (1) provide substantially equivalent training with comparable Federal expenditures, or (2) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or (3) make possible an expanded use of the individual referral method, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages.*

[The State agency shall be paid 50 per centum of the cost to the State of carrying out the agreement, except that for the period ending June 30, 1965, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement with respect to unemployed persons, and for the fiscal year ending June 30, 1966, the State agency shall be paid 66⅔ per centum of such cost.] *The State agency shall be paid 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because (1) a State is without authority on the date of the enactment of the "Manpower Act of 1965" to enact legislation providing contributions to noncollegiate, adult education or training conducted in public institutions, or (2) such payments with respect to private educational or training institutions are required to give full effect to the purposes of the Act: Provided, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."* Such agreements shall contain such other provisions as will promote effective administration (including provision (1) for reports on the attendance and performance of trainees, (2) for immediate certification to the Secretary of Labor by the responsible training agency with respect to each person referred for training who does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, and (3) for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title. In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions.

RULES AND REGULATIONS

SEC. 232. The Secretary of Health, Education, and Welfare may prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

PART C—REDEVELOPMENT AREAS

SEC. 251. (a) The Secretaries of Labor and of Health, Education, and Welfare in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretary of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

(1) The Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: Provided, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

(4) no funds available under this section shall be generally apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be generally required, except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

(b) Sections 16 and 17 of the Area Redevelopment Act are hereby repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the date of repeal of such sections.

TITLE III—MISCELLANEOUS

APPORTIONMENT OF BENEFITS

SEC. 301. For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall make such

apportionment in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the lack of appropriate full-time employment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State, and (5) the average weekly unemployment compensation benefits paid by the State. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this [Act.] *Act: Provided, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the 6th month of such fiscal year and only upon 30 days prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.*

MAINTENANCE OF STATE EFFORT

SEC. 302. No training program which is financed in whole or in part by the Federal Government under this Act shall be approved unless the Secretary of Labor, if the program is authorized under part A of title II, or the Secretary of Health, Education, and Welfare, if the program is authorized under part B of title II, satisfies himself that neither the State nor the locality in which the training is carried out has reduced or is reducing its own level of expenditures for vocational education and training, including program operation under provisions of the Smith-Hughes Vocational Education [Act] *Act,* [and] titles I, II, and III of the Vocational Education Act of 1946, *and the Vocational Education Act of 1963* except for reductions unrelated to the provisions or purposes of this Act.

OTHER AGENCIES AND DEPARTMENTS

SEC. 303. (a) In the performance of their function under this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government, under conditions specified in section 306(a). Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary of Labor and the Secretary of Health, Education, and Welfare and, to the extent permitted by law, to provide such services and facilities as either may request for his assistance in the performance of his functions under this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall carry out their responsibilities under this Act through the maximum utilization of all possible resources for

skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

APPROPRIATIONS AUTHORIZED

[SEC. 304. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1963, $3,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, for the purpose of carrying out title I.

[(b) There are hereby authorized to be appropriated $97,000,000 for the fiscal year ending June 30, 1963, $161,000,000 for the fiscal year ending June 30, 1964, $407,000,000 for the fiscal year ending June 30, 1965, and $281,000,000 for the fiscal year ending June 30, 1966, for the purpose of carrying out title II.

[(c) There are hereby authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1963, $1,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, for the purpose of carrying out title III.

[(d) There are hereby authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1962, for planning and starting programs under this Act.]

SEC. 304. (a) For the purpose of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

LIMITATIONS ON USE OF APPROPRIATED FUNDS

SEC. 305. (a) Funds appropriated under the authorization of this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(b) Any equipment and teaching aids purchased by a State or local education agency with funds appropriated to carry out the provisions of part B shall become the property of the State.

(c) No portion of the funds to be used under part B of this Act shall be appropriated directly or indirectly to the purchase, erection, or repair of any building except for minor remodeling of a public building necessary to make it suitable for use in training under part B.

(d) Funds appropriated under this Act shall remain available for one fiscal year beyond that in which appropriated.

(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: Provided, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965.

AUTHORITY TO CONTRACT

SEC. 306. (a) The Secretary of Labor and the Secretary of Health, Education, and Welfare may make such contracts or agreements, establish such procedures, *including, subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000,* and make such payments, either in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as they deem necessary to carry out the provisoins of this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall not use any authority conferred by this Act to assist in relocating establishments from one area to another. Such limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

SELECTION AND REFERRAL

SEC. 307. The selection of persons for training under this Act and for placement of such persons shall not be contingent upon such person's membership or nonmembership in a labor organization.

DEFINITION

SEC. 308. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

SECRETARIES' REPORTS

SEC. 309. (a) [Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966,] *Prior to April 1 in each year,* the Secretary of Labor shall make a report to Congress. Such report shall contain an evaluation of the programs under title I and part A of title II, including the number of persons trained and the number and types of training activities under this Act, the number of unemployed or underemployed persons who have secured full-time employment as a result of such training, and the nature of such employment, the need for continuing such programs, and recommendations for improvement.

(b) [Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966,] *Prior to April 1 in each year*, the Secretary of Health, Education, and Welfare shall also make a report to Congress. Such report shall contain an evaluation of the programs under part B of title II, the need for continuing such programs, and recommendations for improvement. The first such report shall also contain the results of the vocational training survey which is presently being conducted under the supervision of the Secretary.

TERMINATION OF AUTHORITY

SEC. 310. (a) All authority conferred under title II of this Act shall terminate at the close of June 30, [1966.] *1970.*

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment or other obligation entered into prior to the date of such termination: *Provided,* That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, [1966.] *1970.*

SUPPLEMENTAL VIEWS OF SENATORS JACOB K. JAVITS AND GEORGE MURPHY

The bill has provided a significant opportunity for review of the Manpower Development and Training Act of 1962 since there has now been sufficient time to begin to evaluate the experience under it. Some 135,000 trainees have been enrolled in the program and a total of 320,000 have been programed for enrollment by the end of the current fiscal year, the third year of operation. Viewed from this vantage point the program is in our judgment a hopeful one, although its scope is far from meeting the enormous challenge of either chronic unemployment for a long time, now, at an unacceptable national 5-percent level or of millions of educationally ill-equipped youth in a rapidly automating economy.

As still an experimental approach to training and retraining the unemployed, the program has shown a number of defects which we as a minority have sought to correct in the pending legislation. We are gratified to note that, as reported to the Senate, the bill and committee report, in which we have joined, contain a number of our proposals.

In view of the experience under the existing matching requirements in the act, which would have become effective on July 1, 1965, and with which only three State legislatures (in New York, Pennsylvania, and Michigan) have indicated a willingness to comply, we have agreed to modify the matching grant requirement to a 90-percent Federal, 10-percent State basis. An amendment offered by Senator Prouty (and Senators Javits and Murphy) makes this matching formula workable in several important respects. First, private training institutions, which cannot be expected to match Federal funds either in cash or in kind, would be exempted from the matching requirement. Second, matching may be in cash or in kind, so that public training institutions may contribute additional facilities or personnel or increased use of existing facilities or personnel. Third, the matching requirement is deferred for 1 final year of 100 percent Federal financing so that the States can plan to meet the requirement over the next fiscal year.

Testimony revealed that the time required for identification, development, and Federal approval of projects under the act is at a minimum 3 months, and that many applications require 6 months to a year. During that time the conditions on which the project was based may change substantially, and delay imposes hardship on the unemployed who are waiting for the training to begin. Accordingly, an amendment offered by Senator Javits was adopted to authorize the Secretary of Labor to delegate to State authorities approval of projects not exceeding $75,000. It is intended that this authority will be used to permit more rapid implementation of smaller projects and to reduce the burden of Federal reviewers so that they will concentrate on the quality of the larger projects.

Section 301 of the act presently authorizes reapportionment of funds allocated to the States where the allocated funds have not been used. Some States have found that, very shortly after an initial allocation, some part or all of the allocation has, without notice to or consultation with the State, been reallocated from the State and placed into the national pool for the use of other States. An amendment offered by Senator Javits would limit reapportionment of funds until after 6 months of the fiscal year have elapsed and only upon 30 days' prior notice to the State, except during the final quarter of the fiscal year, when prior notice is not required.

As originally enacted, the act included the finding of the Congress that there is a critical need for more and better trained personnel in the professional, scientific, and technical categories as well as in the apprenticeable category. However, this aspect of the need has been almost entirely neglected. The Labor Department has by regulation eliminated professionals from the program. Although the primary purpose of the act is to reach the unskilled and semiskilled, there is a national responsibility to all the unemployed, particularly in those areas most hard hit by defense cutbacks affecting Government contractors and military installations. As the just-released manpower report of the President emphasizes, these cutbacks often involve large numbers of highly skilled technical personnel who find it difficult to adapt their skills to other industrial uses. Accordingly, an amendment offered by Senator Javits (and Senator Prouty) would add to the findings and purposes of the act the specific authorization to include professional employees who have become unemployed because of reductions or changes in national defense and other industrial activities. This type of coverage would be limited to refresher or reorientation educational courses designed to make existing professional skills marketable, and not to supplant higher education assistance for those who have not yet obtained professional degrees.

As proposed by the administration, this bill would reassign responsibility for training under the Area Redevelopment Act from the Area Redevelopment Administration in the Commerce Department to the Labor Department and would apply Manpower Development and Training Act standards to that training. An amendment offered by Senator Javits avoids the possible overlap of authority by specifically repealing the comparable provision in the ARA Act simultaneously with the enactment of this act.

The Congress recognized in the 1963 MDTA amendments the fallacy of automatically linking to unemployment compensation levels the training allowances under this program, which is designed to induce training for employment. An additional $10 per week was then authorized, and the Labor Department has administered this additional payment on the basis of dependency and duration of training. The pending bill also provides for an additional $5 per dependent (above two and up to six) without referring to the existing $10. In response to a question from Senator Javits the Department has represented, and it is our intention, that the extra $5 per dependent will be added to the extra $10 presently permitted under the act, raising the maximum increase in basic allowance above unemployment compensation to $30 per week for a trainee with six or more dependents.

One of the most disappointing features of the program has been the very small use—approximately 10 percent of the trainees—of the

on-the-job training program, which, as Secretary Wirtz himself testified, was expected to be a prime focus of the act when it was first enacted. We welcome the additional effort to make this program work which is represented by the experimental and developmental programs authorized by these amendments. We urge especially a determined effort to make the business community aware of the on-the-job training program, through publications and other methods, and to bring into close cooperation the 1,900 State employment service offices throughout the country. The employment service should be given maximum information about on-going, on-the-job, and institutional programs within commuting distance and should also be given firm instructions to maximize the number of individual referrals to those training programs, rather than keeping unemployed individuals waiting for a group arrangement to begin operation.

JACOB K. JAVITS.
GEORGE MURPHY.

INDIVIDUAL VIEWS OF SENATOR WINSTON L. PROUTY (REPUBLICAN, VERMONT)

> There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which members willing and anxious to work are deprived of these necessities.

The Manpower Development and Training Act is a relatively new and imperfect instrument for dealing with the Nation's complex manpower problems. Some difficulties that have become evident since the inception of the act in 1962 have been overcome by the amendatory process in 1963 and now in 1965.

I offered the following amendments to the subcommittee which the committee has incorporated in the Senate bill. I believe them to be equitable and in the interest of maximum efficiency.

(1) *Youth training allowances.*—Previously, under the act, it was possible for a youth under 22 to start a training program and have his $20 weekly training allowance cut off when he reached the age of 22. This amendment allows the youth to continue receiving the training allowance until the end of his training. I believe that this action will tend to cut down the rate of dropouts and generally complement the manpower situation.

(2) *Elimination of unnecessary duplication.*—The original intent of paragraph (C) of section 204 in the act was that the Departments of Health, Education, and Welfare, and Labor should confer and agree on the best ways and means to provide on-the-job trainees with any classroom instruction incident to their training. In some of the classroom training conducted, this has not been the case. My amendment offered clarifying language to reaffirm the original intent.

(3) *Equitable standards for participation by private institutions.*—Existing law provides for participation of private training schools in the program only when they can provide training cheaper than such training would be if conducted by a public institution. This amendment changes the language so that the costs could be comparable rather than reduced.

I believe that the private institutions can play a greater role in making the Manpower Development and Training Act programs increasingly effective, especially where they can—

(*a*) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations; or

(*b*) make possible an expanded use of the individual referral method; or

(*c*) aid in reducing more quickly unemployment or current and prospective manpower shortages.

The committee has incorporated this language into the act at my suggestion so as to insure that the private institutions are not excluded from participation as a matter of policy. Nearly half of the

States have failed to use private training schools even though in many cases their personnel and facilities are superior.

I am keenly interested in the expansion of the individual referral method, and it is apparent that the private institutions are tailormade for accepting this type of trainee.

Expanded use of individual referrals would cut down the waiting period which accompanies the initiation of a group training class. I feel that the individual referral method offers the trainee a greater latitude of choice, and thus would reduce both the possibilities for misplacement and the dropout rate.

(4) *Financing.*—According to a survey made available to me by the Department of Health, Education, and Welfare only two of the States have appropriated funds to date which would meet the matching requirements that would come into effect after June 30, 1965. Therefore, in order to achieve the fullest participation by the States that is possible, I introduced and the committee approved the following financing arrangement:

The Manpower Development and Training Act program would be 100 percent federally financed during the next fiscal year ending June 30, 1966. Training allowances would continue to be 100 percent federally financed thereafter. Training costs, however, would be financed on a 90 percent Federal, 10 percent non-Federal matching (in cash or in kind) basis, for fiscal years beginning after June 30, 1966.

If the bill had been adopted in its original form, the matching provisions would effectively exclude private schools from participation in the program. Therefore, upon my recommendation the committee approved an amendment to be written into the bill which would allow the Secretary of Health, Education, and Welfare to determine that in the case of private institutions, such Federal payments may be made as will give full effect to the purposes of the act.

(5) *Refresher training.*—The senior Senator from New York, Mr. Javits, and I recognize a great need to retrain professional and technical personnel who are displaced by defense order, or other industrial cutbacks. In many cases these people need only short refresher courses to put them abreast of the technological requirements of their field and thus make them employable.

Therefore, we recommended, and the committee approved, language to be inserted in the bill which would provide that such reorientation of persons with professional or technical skills, as would make them employable, be included within the scope of the act.

We feel that this amendment will ease the impact on communities heavily dependent on defense or other industries where these activities have been canceled or cut back. The personnel affected could then continue to be assets to the community rather than join the ranks of the unemployed.

CONCLUDING REMARKS

I am convinced that these amendments, which met the approval of the committee, will help to increase the effectiveness of the act. Continued surveillance of the practical application of the act, however, is necessary, and I am sure that we will have to perfect it further from time to time.

The program is largely experimental. I share the hope of all others that it will be successful. At least two shortcomings which are difficult of solution, however, continue to cause me deep concern.

First, the act was expected to give the older unemployed man a new grip on life. For the most part, in this mission it has failed. There still remains the knotty problem of how to prevent discrimination because of age.

Second, I remain concerned about the small number of persons dealt with by the individual referral method. Part of the older worker's dilemma, I believe, can be resolved by the use of this method.

It was expected, at least by some of us in the Congress, that individual problems would be given individual attention. But all too often the jobless fellow who wants to pursue a certain type of training must wait and wait until that one bright day when several others want the same type of training.

If only one unemployed man in a given State wants to be a chef, for example, and there is a skill shortage in this occupation, then I say he should get the training. Slightly over 3,000 persons, nationally, have been trained on an individual referral basis during this fiscal year to date. I say this is an alarmingly small number, and inconsistent with the intent of the act.

I shall not rest with the improvements we have written into this bill, for we have only begun to approach the problems of unemployment in a dynamic economy. Implementation of positive and constructive ideas must meet the awesome challenge presented by advanced technology and automation.

WINSTON L. PROUTY.

ADDITIONAL VIEWS OF SENATOR GEORGE MURPHY

Although generally agreeing with the more experienced minority members, I wish to make the following observations:

First, I urge my colleagues to limit the extension of this program to 2 years. While hopeful that the program will achieve its stated goals and even encouraged by some of the reported results, I believe this legislative committee, as the expert in this field, owes a responsibility to the American taxpayer for the continued supervision and evaluation of this program.

Since we are recommending various changes, 2 years will provide an adequate trial period after which we can evaluate the results. How effective were the bonding demonstration projects? What type of courses require the extended training periods? Is it desirable to continue the 90–10 matching program? These are all questions that will be pertinent at the end of the 2-year period.

I deeply fear that the Congress may be needlessly duplicating their efforts. For example, for the young people we now have the Job Corps, the vocational education program, and an expanded Manpower Development and Training Act. Would it be more economical and efficient to consolidate these various programs?

As initially conceived, the main thrust of the Manpower Development and Training Act was aimed at assisting men who became unemployed because of automation and technological changes. The act presently provides that not more than 25 percent of those receiving training allowances shall be under age 22. As amended, the legislation would allow the Secretary of Labor to administratively adjust the percentage. While greatly concerned and interested in helping our young people, I wish to make certain that the expansion of this program for our youth is not to the detriment of the heads of households.

It is my hope that the States would expand the utilization of the private institutions in this program. Naturally, I am proud that the experience of California proves the wisdom of such utilization. Private institutions in my State account for 15 percent of the training under this program and I am most encouraged by the results. I was pleased to join the minority members of this committee in amending the legislation to permit the continued use of private schools.

GEORGE MURPHY.

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Calendar No. 114

89TH CONGRESS
1ST SESSION

S. 974

[Report No. 123]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1965

Mr. CLARK (for himself, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, and Mr. WILLIAMS of New Jersey) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

MARCH 12, 1965

Reported, under authority of the order of the Senate of March 11, 1965, by Mr. CLARK, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Manpower Act of 1965".
4 *SEC. 2. Section 101 of the Manpower Development and*
5 *Training Act, as amended (hereinafter referred to as the*
6 *"Act") is amended by inserting before the last sentence there-*
7 *of the following new sentence: "The Congress further finds*
8 *that, because of reductions in, or changes in the nature, kind,*

or extent of, national defense and other industrial activities, many professional employees have become unemployed, and because of the specialized nature of their previous employment, are in need of refresher or reorientation educational courses in order to become qualified for other employment in their professions."

SEC. ~~2~~ *3*. (a) Section 102 (5) of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new ~~paragraphs~~ *paragraph* (6) ~~and (7)~~ at the end thereof to read as follows:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants ~~or contracts,~~ with public or private nonprofit agencies~~,~~ *or contracts with public or any appropriate private agency,* for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary

of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

SEC. 4. Sections 103 and 104 are renumbered 106 and 107, and new sections 103, 104, and 105 are added, to read as follows:

JOB DEVELOPMENT PROGRAMS

"~~(7)~~ *SEC. 103. The Secretary of Labor shall* ~~Stimulate~~ *stimulate* and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment."

~~SEC. 3. Sections 103 and 104 are renumbered 105 and~~

1 ~~106 and new sections 103 and 104 are added to read as~~
2 ~~follows:~~
3 "LABOR MOBILITY DEMONSTRATION PROJECTS
4 "SEC. ~~103~~ *104.* (a) During the period ending June 30,
5 1967, the Secretary of Labor shall develop and carry out,
6 in a limited number of geographical areas, pilot projects
7 designed to assess or demonstrate the effectiveness in reduc-
8 ing unemployment of programs to increase the mobility of
9 unemployed workers by providing assistance to meet their
10 relocation expenses. In carrying out such projects the Secre-
11 tary may provide such assistance, in the form of grants or
12 loans, or both, only to involuntarily unemployed individuals
13 who cannot reasonably be expected to secure full-time em-
14 ployment in the community in which they reside, have bona
15 fide offers of employment (other than temporary or seasonal
16 employment), and are deemed qualified to perform the work
17 for which they are being employed.
18 "(b) Loans or grants provided under this section shall
19 be subject to such terms and conditions as the Secretary shall
20 prescribe, with loans subject to the following limitations:
21 "(1) there is reasonable assurance of repayment of
22 the loan;
23 "(2) the credit is not otherwise available on rea-
24 sonable terms from private sources or other Federal,
25 State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE ~~BONDING~~ *PLACEMENT ASSISTANCE* DEMONSTRATION PROJECTS

"SEC. ~~104~~ *105*. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appro-

1 priate counseling, have been found by the Secretary to be
2 qualified and suitable for the employment in question, but to
3 whom employment is or may be denied for reasons other than
4 ability to perform, including difficulty in securing bonds for
5 indemnifying their employers against loss from the infidelity,
6 dishonesty, or default of such persons. In carrying out these
7 projects the Secretary may make payments to or contracts
8 with employers or institutions authorized to indemnify em-
9 ployers against such losses. Of the funds appropriated
10 for fiscal years ending June 30, 1966, and June 30, 1967,
11 not more than $200,000 and $300,000, respectively, may
12 be used for the purpose of carrying out this section."

13 SEC. ~~4~~ *5*. Section 202 (i) of the Act is amended by strik-
14 ing the words "and such persons shall be eligible for training
15 allowances for not to exceed an additional twenty weeks.",
16 and by changing the comma after the word "Act" to a
17 period.

18 SEC. ~~5~~ *6*. (a) Section 203 (a) of the Act is amended as
19 follows:

20 (1) Amend the second sentence thereof to read as
21 follows: "Such payments shall be made for a period not
22 exceeding one hundred and four weeks, and the basic
23 amount of any such payment in any week for persons
24 undergoing training, including uncompensated employer-
25 provided training, shall not exceed $10 more than the

1 amount of the average weekly *gross* unemployment com-
2 pensation payment (including allowances for depend-
3 ents) for a week of total unemployment in the State
4 making such payments during the most recent four-
5 calendar-quarter period for which such data are avail-
6 able: *Provided,* That the basic amount of such payments
7 may be increased by $5 a week for each dependent over
8 two up to a maximum of four additional dependents:
9 *Provided further,* That in any week an individual who,
10 but for his training, would be entitled to unemployment
11 compensation in excess of his total allowance, including
12 payments for dependents, shall receive an allowance
13 increased by the amount of such excess.";
14 (2) Amend the second paragraph thereof to read
15 as follows:
16 "With respect to any week for which a person receives
17 unemployment compensation under title XV of the Social
18 Security Act or any other Federal or State unemployment
19 compensation law which is less than the total training allow-
20 ance, including payments for dependents, provided for by
21 the preceding paragraph, a supplemental training allowance
22 may be paid to a person eligible for a training allowance
23 under this Act. The supplemental training allowance shall
24 not exceed the difference between his unemployment com-

1 pensation and the training allowance provided by the pre-
2 ceding paragraph.";
3 (3) Insert the words "under the training program"
4 after "compensated hours per week" in the third para-
5 graph of such subsection;
6 (4) In lieu of the fourth paragraph of such sub-
7 section insert the following:
8 "The training allowance of a person engaged in training
9 under section 204 or 231 shall not be reduced on account
10 of employment (other than employment under an on-the-job
11 training program under section 204) which does not exceed
12 twenty hours per week, but shall be reduced in an amount
13 equal to his full earnings for hours worked in excess of twenty
14 hours per week."
15 (b) Section 203 (b) of the Act is amended ~~by inserting~~
16 *as follows:*
17 *(1) Insert* a comma after the word "transportation"
18 where it first occurs, ~~striking~~ *strike* out the language after
19 that word and before the word "*Provided*" and ~~inserting~~
20 *insert* the following in lieu therof: "and when such training
21 is provided in facilities which are not within commuting
22 distance of the trainee's regular place of residence, subsistence
23 expenses for separate maintenance of the trainee:".
24 *(2) Change the period at the end of section 203(b) to*
25 *a comma and insert the following immediately thereafter:*

1 *"except that in noncontiguous States and in areas outside the*
2 *continental United States where the per diem allowance*
3 *prescribed under section 836 of title 5, United States Code,*
4 *exceeds the maximum per diem allowance prescribed under*
5 *that section for contiguous States, the Secretary may provide*
6 *for a reasonable increase in the transportation and subsistence*
7 *expenses in such amounts as he may deem necessary to carry*
8 *out the purposes of this Act, and subject to such limitations*
9 *as he may prescribe.*

10 (c) Section 203 (c) of the Act is amended as follows:

11 (1) Strike the words "not less than" and insert
12 "at least" in lieu thereof;

13 (2) Insert a colon after the words "gainful employ-
14 ment", strike everything in the first sentence after the
15 words "gainful employment", and insert the following
16 in lieu thereof: *"Provided,* That ~~they are not~~ *he shall*
17 *not pay training allowances to* members of a family or a
18 household in which the head of the family or the head
19 of the household as defined in the Internal Revenue
20 Code of 1954 is ~~employed.~~ *employed, unless the Secre-*
21 *tary determines that such payments are necessary in*
22 *order for the trainees to undertake or to continue train-*
23 *ing: Provided further, That no allowances shall be paid*
24 *to any member of a family or household if the Secretary*

of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section."

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances *(or who would be entitled thereto but for the receipt of unemployment compensation)* shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). *The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training.*"

(d) Section 203 (d) *of the Act* is ~~amended to read as follows:~~ *repealed, and sections 203(e), 203(f), 203(g), 203(h), 203(i), and 203(j) are relettered 203(d), 203(e), 203(f), 203(g), 203(h), and 203(i).*

~~"For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances under this section, or as reimbursement for unemploy-~~

~~ment compensation under subsection (h), shall be paid in accordance with the provisions of section 241."~~

(e) *The present* ~~Section~~ *section* 203 (h) (2) of the Act is amended by striking everything in the first sentence after the ~~term "1965" and inserting in lieu thereof "and for 90 per centum of the amount of such benefits paid thereafter."~~ *words "all of such benefits paid" and adding a period immediately thereafter.*

Sec. 7. Section 204(c) of the Act is amended to read as follows: "Where on-the-job training programs under this part require supplementary and related classroom instruction, whether on-site or institutional in nature, appropriate arrangements for such instruction shall be in conformity with section 231 of this Act, and shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor."

Sec. ~~6~~ *8*. Section 208 is repealed.

Sec. 9. (a) Section 231 of the Act is amended by striking the second sentence thereof and inserting in lieu thereof the following:

"Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can (1) provide substantially

equivalent training with comparable Federal expenditures, or (2) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or (3) make possible an expanded use of the individual referral method, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages."

~~SEC. 7.~~ *(b)* Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: ~~"For the fiscal year ending June 30, 1965, Federal payments under this part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this part shall be made in accordance with the provisions of section 241."~~ *"The State agency shall be paid 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because (1) a State is without authority on the date of the enactment of the "Manpower Act of 1965" to enact legislation providing contributions to noncollegiate, adult education or training conducted in public institutions, or (2) such payments with respect to private educational or training institutions are required to give full effect to the purposes of the Act: Provided, That for the period ending June*

30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

~~SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:~~

~~"PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES~~

~~"SEC. 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."~~

SEC. ~~9~~ *10*. Title II of the Act is amended by adding part ~~D~~ *C* to the end thereof to read as follows:

"PART ~~D~~ *C*—REDEVELOPMENT AREAS

"SEC. 251. (a) ~~Notwithstanding any limitation in the other provisions of this Act, the~~ *The* Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of train-

1 ing and training allowances, in consultation with the Sec-
2 retary of Commerce, for unemployed and underemployed
3 persons residing in areas designated as redevelopment areas
4 *by the Secretary of Commerce* under the Area Redevelop-
5 ment Act *or any subsequent Act authorizing such designa-*
6 *tion.* Such program ~~shall, insofar as practicable,~~ *shall* be
7 carried out by the Secretaries of Labor and of Health, Edu-
8 cation, and Welfare in accordance with the provisions other-
9 wise applicable to programs under this Act and with their
10 respective functions under those provisions, except that—
11 "(1) the Secretary of Labor, in consultation with
12 the Secretary of Commerce, shall determine the *occu-*
13 *pational training or retraining* needs ~~and the eligibility~~
14 ~~of persons for training under this section;~~ *of unem-*
15 *ployed or underemployed individuals residing in redevel-*
16 *opment areas;*
17 *"(2) all unemployed or underemployed individuals*
18 *residing in redevelopment areas who can reasonably be*
19 *expected to obtain employment as a result of such train-*
20 *ing may be referred and selected for training and shall be*
21 *eligible for training allowances under this section: Pro-*
22 *vided, That the amount and duration of training allow-*
23 *ances under this section shall in no event exceed the*
24 *amount and duration of training allowances provided*
25 *under section 203(a) of this Act;*

"~~(2)~~ *(3)* the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"~~(3)~~ *(4)* no funds available under this section shall be generally ~~allocated~~ *apportioned* to any State pursuant to ~~any agreement entered into under this Act,~~ *section 301 of this Act,* nor shall any ~~State or local~~ matching funds be generally required, ~~nor shall any apportionment of funds be made among the several States,~~ except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

~~"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.~~

"(b) Sections 16 and 17 of the Area Redevelopment Act are hereby repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation

entered into pursuant to the Area Redevelopment Act prior to the date of repeal of such sections."

~~"(c) The expiration or termination of any other part of this Act shall not terminate the authority conferred by this section unless an Act of Congress explicitly so provides."~~

SEC. 11. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon in lieu of the period, and adding the following after the colon: "Provided, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year."

SEC. ~~10~~ *12*. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act," inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946."

SEC. ~~11~~ *13*. Section 304 is amended to read as follows:

~~"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary."~~

1 *"Sec. 304. (a) For the purposes of carrying out title I,*
2 *there are hereby authorized to be appropriated not in excess*
3 *of $46,000,000 for the fiscal year ending June 30, 1966,*
4 *and for each fiscal year thereafter such amounts as may be*
5 *necessary.*

6 *"(b) For the purpose of carrying out parts A and B of*
7 *title II, there are hereby authorized to be appropriated not*
8 *in excess of $385,000,000 for the fiscal year ending June 30,*
9 *1966, and for each fiscal year thereafter such amounts as*
10 *may be necessary.*

11 *"(c) For the purpose of carrying out part C of title II,*
12 *there are hereby authorized to be appropriated not in excess*
13 *of $22,000,000 for the fiscal year ending June 30, 1966,*
14 *and for each year thereafter such amounts as may be*
15 *necessary.*

16 *"(d) For the purpose of carrying out title III, there are*
17 *hereby authorized to be appropriated not in excess of $1,-*
18 *000,000 for the fiscal year ending June 30, 1966, and for*
19 *each year thereafter such amounts as may be necessary."*

20 Sec. ~~12~~ *14.* The following subsection is added to sec-
21 tion 305 of the Act to read as follows:

22 "(e) The costs of all training programs approved in any
23 fiscal year, including the total cost of training allowances for
24 such programs, may be paid from funds appropriated for
25 such purposes for that fiscal year; and the amount of the

1 Federal payment shall be computed on the basis of the per
2 centum requirement in effect at the time such programs are
3 approved: *Provided,* That funds appropriated for the fiscal
4 year ending June 30, 1966, may be expended for training
5 programs approved under this Act prior to July 1, ~~1965, and~~
6 ~~expenditures for such purposes shall be subject to the match-~~
7 ~~ing requirements in effect at the time such programs were~~
8 ~~approved."~~ *1965."*

9 *Sec. 15. Section 306(a) of the Act is amended by in-*
10 *serting after the word "procedures" the following: "including,*
11 *subject to such policies, rules and regulations as they may*
12 *prescribe, the approval of any program under section 202,*
13 *the cost of which does not exceed $75,000".*

14 Sec. ~~13~~ *16.* Sections 309 (a) and 309 (b) are both
15 amended by striking "Prior to March 1, 1963, and again
16 prior to April 1, 1964, April 1, 1965, and April 1, 1966"
17 and inserting in lieu thereof: "Prior to April 1 in each
18 year."

19 ~~Sec. 14. Title III is amended by repealing section 310.~~

20 *Sec. 17. Sections 310(a) and 310(b) are both amended*
21 *by striking "1966" and inserting in lieu thereof: "1970".*

Calendar No. 114

89TH CONGRESS
1ST SESSION

S. 974

[Report No. 123]

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. CLARK, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, and Mr. WILLIAMS of New Jersey

FEBRUARY 3, 1965

Read twice and referred to the Committee on Labor and Public Welfare

MARCH 12, 1965

Reported with amendments

S. 97

A BILL

15. FARM LOANS. Passed, 217-113, under suspension of the rules, H. R. 5075, to authorize an increase from $200 million to $450 million in the annual limitation on insured real estate loans under the Consolidated Farmers Home Administration Act. pp. 4868-72

Passed under suspension of the rules H. R. 4152, to amend the Federal Farm Loan Act and the Farm Credit Act of 1933 so as to provide means for expediting the retirement of Government capital in the Federal intermediate credit banks, including an increase in the debt permitted such banks in relation to their capital and provision for the production credit associations to acquire additional capital stock therein, and to provide for allocating certain earnings of such banks and associations to their users. pp. 4866-8

17. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendments H. R. 1111, to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a water resources council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning (H. Rept. 169). p. 4928

18. RESEARCH. Rep. Roush spoke on the geographic distribution of the research and development fund calling particular attention to "the adequate use of our Nation's scientific manpower." p. 4876

19. FTC. Rep. Evins, Tenn., paid tribute to the Federal Trade Commission on its 50th anniversary. pp. 4876-8

20. FARM INCOME. Rep. Findley claimed the Administration's "action in dumping of massive quantities of Government grain stocks is a principal reason for the latest decline in net income for Illinois farms." p. 4896

Rep. Langen stated "the agricultural situation in this country continues its steady deterioration" and inserted an "Independent Bankers Association Agriculture Committee Position Paper on the Rural Economy." pp. 4897-8

21. INTERGOVERNMENTAL RELATIONS. Rep. Fountain commended and inserted a compilation, "Excerpts From Gubernatorial Messages Which Would Carry Out Recommendations of the Advisory Commission on Intergovernmental Relations," including items on water resources planning and water pollution. pp. 4909-12

22. FARM PROGRAM. Rep. Hansen, Iowa, inserted excerpts from an address by the president of the National Farmers Union on the "role of America in a technological world." pp. 4920-1

23. MANPOWER. The Education Committee reported with amendment H. R. 4257, to amend the Manpower Development and Training Act of 1962, as amended (H. Rept. 170). p. 4928

24. FLOOD CONTROL. Received a Mont. State Legislature memorial requesting "that certain provisions of Public Law 566 be enlarged to fit the needs of the State of Montana and other western States by raising the flood control allowance to 12,500 acre-feet, the reservoir limitation to 40,000 acre-feet, and the water shed drainage area to 400,000 acres." p. 4930

25. TOBACCO; HEALTH. Received a Wash. State Legislature memorial asking support of "legislation requiring that cigarettes be labeled as hazardous to health." p. 4931

26. SOIL CONSERVATION; USER CHARGES. Reps. Hall, Hansen (Idaho) and Tupper criticized the proposed user charge on SCS technical assistance to farmers and ranchers. pp. 4882, 4884, 4898.

27. APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1965 for the Appalachian Regional Development Program (H. Doc. 110), which includes $42,840,000 for agencies of this Department. Attached to this Digest is a table showing the composition of the items for this Department. As submitted, the estimates would provide funds for the balance of the fiscal year 1965 and through the fiscal year 1966. p. 4928

Received from the President supplemental appropriation estimates for the fiscal year 1965 which include items for the Forest Service for the repair or replacement of Government-owned improvements and facilities lost or damaged in recent flood disasters (H. Doc. 111). The estimate includes $4,200,000 for "Forest land management" and $2,000,000 for "Forest roads and trails." p. 4928

ITEMS IN APPENDIX

28. CIVIL SERVICE. Sen. Yarborough inserted an article paying tribute to John W. Macy, Chairman of the Civil Service Commission. pp. A1148-9

29. ELECTRIFICATION. Extension of remarks of Rep. Evins favoring the appointment of Paul H. Tidwell, as the new president of the National Electric Cooperative Association. pp. A1149-50

30. FARM ECONOMY. Extension of remarks of Rep. Callan stating that "The economy of this country can well afford to support agricultural programs", and "...we cannot afford to overlook the contributions of American Agriculture." pp. A1154-5, A1170-1

31. FARM LABOR. Rep. Teague, Calif., inserted an article, "Harvest of Sham", outlining the problem faced by our agricultural industry. pp. A1163-4

32. COMMUNITY DEVELOPMENT. Extension of remarks of Rep. MacGregor favoring the Republican sponsored bill to provide for the creation of an Office of Community Development in the Executive Office of the President. pp. A1164-5

33. WILDLIFE. Rep. Dingell inserted an article, "Congressmen Aspinall and Saylor Honored by Wildlife Federation." pp. A1168-9

34. OPINION POLL. Rep. Fisher inserted the results of an opinion poll, including Appalachia, aid to education and Federal expenditures. p. A1180

35. GUAM. Rep. Saylor inserted an address advocating a free port for Guam, and stating that agriculture was once the "backbone of island economy." pp. A1180-1

89TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 170

MANPOWER ACT OF 1965

MARCH 15, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POWELL, from the Committee on Education and Labor, submitted the following

REPORT

[To accompany H.R. 4257]

The Committee on Education and Labor, to whom was referred the bill (H.R. 4257) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all of the bill after the enacting clause and inserts in lieu thereof a substitute which appears in the reported bill in italic type.

PURPOSE AND SUMMARY OF BILL

In his Economic Report to the Congress on January 19, 1965, President Johnson stated:

> The Manpower Development and Training Act was passed in 1962 and broadened in 1963. Its purpose is to supply skills to those who, whether for lack of wisdom or lack of opportunity, failed to acquire them earlier. It aims to make possible retraining of those who would otherwise bear the burdens of society's technological progress.
>
> We intend to improve and expand our training programs in 1965.

On February 1, 1965, President Johnson announced a new, nationwide job development program.

> I am convinced that a substantial number of jobs can be developed from * * * presently existing and unmet service needs—in business, at home, on the farm, and in the community.

44-486—65——1

> Therefore, I am launching a nationwide job development program in service and related fields—to assure that trained workers are available to provide needed services at satisfactory wages and working conditions—

H.R. 4257 was introduced by Congressman Elmer J. Holland, at the request of the administration on February 2, 1965. It directs the Secretary of Labor to proceed toward the objectives announced by the President and further amends the Manpower Development and Training Act of 1962 (hereinafter referred to as MDTA) in order to improve and strengthen the Nation's active manpower policy. The bill as amended by the committee extends the terminal date until June 30, 1968, continues 100 percent Federal financing until June 30, 1966, and changes State matching requirements thereafter to 10 percent of the costs of institutional training, in cash or kind. It also (1) directs the Secretary of Labor to stimulate and assist job development programs to fill unmet service needs; (2) expands the Secretary's research authority under title I, authorizing the use of grants as well as contracts, and providing explicit direction to undertake experimental and demonstration manpower projects; (3) extends and increases the authorization for labor mobility demonstration projects and establishes trainee bonding demonstration project authority; (4) liberalizes training allowances under title II with respect to amount, duration, and eligibility; (5) permits payment of daily commuting costs of trainees; (6) rationalizes the national manpower training program by bringing the training program for redevelopment areas, now provided in the Area Redevelopment Act, under the MDTA; and (7) replaces the existing title-by-title limitation on annual appropriations with an open end authorization for the entire act.

Need for the Bill

Despite over 2½ years of successful operation of the MDTA, the manpower challenges which gave rise to the initial legislation still face the Nation—shortages of workers in key areas, 20 million Americans without the minimum training needed for most jobs, burgeoning technological innovation, radically changing skill requirements, and unprecedented numbers of youth seeking jobs for the first time. Without the substantial accomplishments of the MDTA, the present manpower imbalances would doubtless have been worse. As the Economic Report of the President noted:

> Four years of steadily expanding job opportunities have not brought us to full employment. Some 3.7 million of our citizens want work but are unable to find it. Up to 1 million more—"the hidden unemployed"—would enter the labor force if the unemployment rate could be brought down just 1 percentage point.
>
> In the next year, 1.3 million more potential workers will be added to our labor force, including a net increase of one-half million below the age of 20 * * *.

By the end of 1964, the MDTA program had come to within practical reach of the goal of training 400,000 persons initially set by the Congress for a 3-year program. During 1964, the second full year of operations, the previous year's program was more than doubled. Training opportunities were brought not only to displaced experienced

workers, but also to increasing numbers of youth and disadvantaged persons at the bottom of the economic and social ladder whose absorption into the labor force presents the greatest obstacles.

The record to date is extremely gratifying:

Occupational training in vocational education institutions and on the job has been approved for almost 320,000 trainees, since the act's inception. Another 60,000 have been reached through special projects tailored to the needs of the disadvantaged.

High placement rates have been achieved for graduates of MDTA programs—for 72 percent of those completing institutional training and 94 percent of those completing on-the-job training.

Training projects have been approved over a wide spectrum of occupations at all major skill levels: technical and semiprofessional, skilled and semiskilled, white-collar, service, and agricultural occupations.

Extensive training opportunities have been provided to the longterm unemployed. About half of the institutional trainees had been unemployed for 15 weeks or more prior to enrollment; one-third had been jobless for more than half a year.

An increasing proportion of nonwhite persons has been enrolled in training—over 28 percent of all enrollees in institutional projects and 20 percent of on-the-job trainees in 1964. Over the entire life of the program, one-quarter of all trainees have been from nonwhite groups.

Unemployed persons with less than grade-school education constituted 7 percent of all trainees enrolled in the large institutional training program during 1964, more than doubling their 3-percent representation in 1963. Their counterparts enrolled in on-the-job training constituted 6.7 percent of that program.

However, changes are now required to strengthen MDTA and make it more flexible, so that it can more adequately meet the Nation's manpower problems.

First, the success of the program clearly warrants its extension and a modification in the matching requirements to permit full Federal funding through June 30, 1966. Thereafter, 100 percent of the training allowances and 90 percent of other training costs will be financed by Federal funds. The causes of unemployment are national in scope and its costs should be borne more evenly across the Nation. Moreover, it is now clear that a majority of States, because of expanding education, welfare, highway construction, and other costs will not be in a position to meet the present matching requirements by July 1 of this year. This does not reflect inadequate interest or concern. Virtually all of the State governors have expressed their strong desire to see the program continue.

Second, the Nation's manpower research capability and efforts must be materially expanded to develop the additional information and insight needed to guide effective improvement in manpower policies and programs. The efforts already initiated under the modest research program provided under the original MDTA have been exceedingly useful and promising. They have identified the huge potential contribution of enlarged research investment—and have established a good base for the needed expansion. As part of this expansion, a clear directive to move aggressively and imaginatively

with a wide variety of experimental and demonstration projects is fully warranted by the results of the limited program to date.

One of the most important operational findings made to date under the act is that there is a vast untapped potential for job development and for trained people in a myriad of service activities. As a corollary finding, these unfilled needs are likely to continue unfilled unless additional steps are taken to develop the jobs, in coordination with the required training of workers and stimulation of small private enterprise firms in the service fields. The Secretary of Labor testified that past failure to take these steps has "impeded the development of many thousands of jobs."

Fourth, training programs under the Area Redevelopment Act and the MDTA are quite similar in administrative arrangements and program content. Placing ARA training formally under the MDTA, as a specifically funded activity, will put the benefits of the two on the same basis and reduce the apparent overlap between the two acts.

Finally, the modifications in the allowances provisions will help to assure that the disadvantaged and other unemployed who require training allowance assistance will get it. Experience has shown that the allowances under the MDTA are a key to the success of the program. Availability of some income—i.e., training allowances—strengthens the incentive for most workers to accept training and significantly affects the length of time they can continue in training status. The changes in training allowances—lengthening the period of eligibility, making more disadvantaged and needy people eligible, and increasing the amount for trainees with large families—are all designed to facilitate the retraining of people for whom training is most needed, both for their own advantage and for society's.

Background

H.R. 4257 is responsive to the manpower challenge as presently seen and described in testimony before the Select Subcommittee on Labor, Congressman Elmer J. Holland, chairman. In brief but comprehensive hearings starting on February 2, 1965, the subcommittee took remarkably unanimous testimony from a variety of witnesses on the success and need for continuation of the MDTA. In short, it is a socially and monetarily sound investment in human beings. As the distinguished economist, John Kenneth Galbraith, recently stated in his testimony before the Joint Economic Committee:

> Increasingly the problem of employment is not a deficiency of demand but unemployability that results from deficient education * * * or unrelieved social squalor * * *. The primary remedy for this unemployment * * * is better education, more job training, more deliberate job creation for youngsters, and an equal break in education and employment for Negroes.

Without action this session to extend and amend the act, this vital manpower development program will begin to die almost at once. The committee having heard well-qualified witnesses has approved the administration's proposals with certain amendments to achieve the essential changes needed to continue and enhance a program of proven worth.

Major Provisions of the Bill

EXPLANATION AND NEED

Extension of the act

The act is presently scheduled to expire after June 30, 1966. The bill extends the expiration date to June 30, 1968.

As originally introduced by Congressman Elmer J. Holland on behalf of the administration, H.R. 4257 removed the expiration date and thereby made the manpower development and training program a continuing, permanent program. This provision of the original bill reflected the generally accepted view that this program can no longer be considered experimental, that is has been demonstrated to be an indispensable part of our current efforts to eliminate unemployment and reclaim manpower resources, and that present economic, technological, and demographic trends—particularly the extremely rapid pace of technological change—indicate a large-scale manpower training and retraining program will be needed for the indefinite future.

In amending the bill to restore an expiration date, the Committee on Education and Labor is in no way disagreeing with the judgment that the MDTA program must have a continuing, permanent role in America's attack upon its manpower problems. The committee's action simply stems from a belief that the proper exercise of its legislative oversight function calls for this committee to review, from time to time, a program of such scope and importance as this. In the absence of an expiration date, there is a possibility that the program might receive congressional review in the future almost exclusively through the process of annual hearings on appropriations requests from the Department of Labor. The MDTA program, however, should periodically be opened to the thorough congressional examination and evaluation, looking toward any needed legislation to improve the program, which the Committee on Education and Labor is appropriately qualified to undertake.

Non-Federal matching provision

The act presently schedules each individual State to begin, after June 30, 1965, to bear one-third of the costs of training allowances paid under title II training programs, and also to bear one-third of the instructional and other costs of such programs [1] established within the State.

The bill designates June 30, 1966, as the date State contributions will be required. After June 30, 1966, payments of training allowances will continue to be made entirely from Federal funds, but the Federal contribution will drop to 90 percent of the instructional and other costs of title II training programs.[1] The 10-percent non-Federal contribution may be made in cash or in kind.[2]

The matching provision of H.R. 4257, as reported, differs from both the original bill and the bill reported by the Select Subcommittee on Labor. The original bill required a non-Federal contribution, after June 30, 1965, of 10 percent of the total costs of title II training programs. It was amended to eliminate any matching requirement and

[1] Other than on-the-job training programs, under sec. 204 of the act.

[2] Matching in kind may be accomplished through a variety of arrangements, including: donation of space, physical equipment, personal services, grants by public organizations; such as, a city, county, school district, or any other State instrumentality, and donations by private (profit or nonprofit) agencies, or any other source. Thus the States will have considerable flexibility in determining what is particularly suitable for inclusion as its contribution.

the subcommittee recommended 100 percent Federal financing of the entire MDTA program.

The committee's decision to amend the bill and require an eventual small non-Federal contribution is consistent with a desire to adhere to the principle of State matching which was embodied in the original act of 1962. The act was amended in 1963 to reduce, from 50 to 33⅓ percent, the initial State contribution and postponed the date for matching to begin. This bill further reduces the State matching share and postpones its effective date. The committee has not seen fit, however, to give up entirely its original goal of joint Federal-State financing of the MDTA program.

The matching provision of this bill has been established because the Manpower Development and Training Act has become an important and valuable program. Congress cannot permit a sharp cutback from its present level of activity to occur in July 1965. It is now clear that few States are prepared to meet the 33⅓-percent matching requirement on July 1, 1965. Even in those few States which have appropriated funds are are expected to furnish their share by July 1, the amounts appropriated may still not be sufficient, under a 33⅓-percent matching formula, to prevent a reduction in training courses being carried on. As for the remaining States, their failure to appropriate funds will practically eliminate MDTA training within their borders.

The choice is unavoidable: either reduce the present State matching requirements or abandon a great deal—probably most—of the MDTA program. The second alternative is wholly unacceptable. The unemployment rate still stands at 5 percent for the labor force as a whole, and at approximately 15 percent for youth 16 to 19 years of age. The number of new jobseekers is growing at a much faster rate than in the 1950's, and thousands of jobs each week are being eliminated by new technological advances. We are witnessing shifts in defense spending, and other disruptive characteristics of our changing economy. To relinquish now the progress we have made toward establishing an adequate manpower training program in the United States would be an extraordinarily shortsighted and defeatist act.

Testifying on this critical issue, Secretary of Labor Wirtz stated:

> We must face squarely the need for a more permanent involvement of the Federal Government in financing the act's vital programs * * * Secretary Celebrezze and I have written to all the Governors and done everything we could to encourage the States to provide the one-third matching requirement this year. However, it is apparent that a majority of the States will not be in a position to meet the present matching requirements by July 1.
>
> This is in no way a reflection of inadequate interest or concern. Quite the contrary, virtually all of the State Governors have expressed their strong desire to see the program continue.

The testimony before the Select Subcommittee on Labor, during its 8 days of hearings on this bill in February, and the letters and statements submitted to the subcommittee, confirmed Secretary Wirtz' description of widespread support for the MDTA program. There were no requests from witnesses desiring to appear in opposition

either to the bill or to its liberalizing of the State matching requirements, nor did any of the numerous communications directed to the subcommittee call for preserving the act's present matching provision. Vigorous statements, on behalf of continuing a large-scale MDTA program, from the Governors of many States, including South Carolina, Michigan, Kentucky, Wisconsin, California, New York, and West Virginia are in the subcommittee's records. Although some criticisms were made of specific operational details of the program, no arguments were presented to the subcommittee for reducing Federal expenditure for manpower training and development or for lowering the current level of our training effort.

Indeed, the majority of those who expressed strong views to the subcommittee on the matching issue, through personal testimony or otherwise, urged the continuation of 100 percent Federal financing. Forceful arguments in favor of eliminating State matching requirements were made by witnesses representing the American Vocational Association and the AFL–CIO, while letters and telegrams to this effect were received from State Governors, State vocational education directors, and others deeply concerned with maintaining an effective manpower training program.

The economic and other factors, which explain the need for Federal financing of the Nation's manpower development and training program, are well known and widely acknowledged. They can be summarized briefly here.

At the outset, it should be emphasized that the Federal Government, since the early 1930's, has become generally recognized as bearing the primary public responsibility for combating unemployment. Congress, in passing the Employment Act of 1946, explicitly confirmed this responsibility. The United States has an integrated national economy and a national labor market. The amount of unemployment in a local community or in a State is commonly influenced by forces originating elsewhere. A corporation headquarters in New York decides to close a branch plant in a Midwestern State. A nationwide shift in corsumer demand cuts employment in a community traditionally specialized in the manufacture of a product which has now lost favor with the public. The development of new laborsaving processes and new products eventually displaces workers in establishments hundreds of miles from the firms and research laboratories responsible for these innovations. A Department of Defense decision to phase out an obsolescent weapons system causes mass layoffs in plants far removed from Washington, D.C. The high birth rate and declining need for labor in the farm sector of our economy brings a continuing flow of ill-educated, untrained migrants into New York, Chicago, Detroit, Los Angeles, and other large metropolitan areas, where they swell the welfare rolls and the ranks of the unemployed. Many other illustrations could be presented to point up the inappropriateness of placing a major financial burden of manpower training upon the individual State or community, when its level of unemployment may be primarily the result of national economic forces beyond its control, and when its number of unemployed who need and can benefit from training may have little relation to its capacity for financing a training program.

Some localities are logical centers for training projects which, for maximum effectiveness and economy, should draw trainees from more than one State—for example, training projects located in such major metropolitan areas as New York-northeastern New Jersey, Chicago, St. Louis, Washington, Cincinnati, or Philadelphia-Camden. A large State-matching requirement may seriously restrict these projects. Reluctance to incur substantial costs for training nonresidents, the complicated accounting systems, and fair allocation of costs of a project serve as roadblocks to full cooperation.

A State will be hesitant to finance the training of residents for jobs outside the State's borders. The act does give priority to training projects for skills needed within the local labor market area—which in some cases embraces parts of two States—and within the State. Nevertheless, the act definitely contemplates that some training will be carried on for positions outside the State. Congress has demonstrated a continuing interest in facilitating the mobility of American labor, and in the act, specifically directs the Secretary of Labor to "establish a program of factual studies of practices of employers and unions which tend to impede the mobility of workers," and to include a report on these studies in the annual Manpower Report of the President. In 1963, the act was amended, directing the Secretary to carry out labor mobility demonstration projects, exploring the desirability of giving limited financial assistance to unemployed workers, whose relocation costs may make it difficult or impossible for them to move to jobs outside their own communities. Therefore, the intent of Congress would be ignored if all training, under the MDTA program were aimed at filling jobs only in the State contributing to the cost of the project.

Finally, the present inability of States and communities to meet, without Federal aid, the fast-growing costs of providing an adequate educational system offers an extremely compelling reason for eliminating the large State-matching requirement from the MDTA program. This bill, as reported from the committee, thus avoids placing a heavy additional strain upon the already overburdened revenue sources of State and local governments.

Whatever the proportion of Federal financing, the MDTA program originates and is operated at the local level. The program requires the State-administered public employment services to determine the occupations for which MDTA training can be given and to select the trainees. It relies upon the State vocational education authorities to provide training through public educational facilities, or by arrangements with private training institutions. The act provides for local and State manpower advisory committees to help plan and evaluate MDTA activities within their respective areas. Manpower development and training, as it is administered, is thus highly decentralized. The number of Federal employees engaged in the MDTA program is, in fact, a very small fraction of the total number of people responsible for its operation.

The committee also wishes to emphasize that the shift to a higher proportion of Federal financing does not in any way preclude an individual State from providing additional funds to enable a larger volume of manpower training to be carried on in the State than can be supported from the State's allotted share of Federal MDTA funds. There will be many MDTA training projects in which the number of trainees that can be financed will fall short of the number that could

reasonably be expected to find employment upon completion of training. These present a State with excellent opportunities to place additional unemployed workers in on-going MDTA training projects, if State funds are made available beyond the amount required by the matching contribution to the Federal funds committed. It is the committee's hope that at least those States in a financial position to do so will take advantage of such opportunities to reclaim their unemployed manpower resources at a faster rate than is possible within the limits of the Federal appropriations for the MDTA program.

Job development program

The bill, in title I, directs the Secretary of Labor to develop and maintain a program of "job development," primarily in the service trades. This provision does not give the Secretary any significant amount of new authority, but it does serve to emphasize the need for imaginative efforts to create new jobs—by contrast with filling existing job vacancies—through developing more effective techniques for bringing workers together with those who have need of their services. There is wide recognition of the fact that, despite the Nation's unacceptably high unemployment level, much unsatisfied demand now exists for such services as home maintenance, child care, appliance repair, hospital service, home nursing, and many others. Many of our presently unemployed workers can, with training, be employed in meeting this demand, if improved means are devised for dealing with the difficult transportation, work-scheduling, and other problems that now interfere with the provision of these services.

Secretary Wirtz gave special emphasis to this provision of the bill in his testimony before the Holland subcommittee:

> One of the important findings we have made under the operation of the existing Manpower Act is that there is a great potential for job development and for trained people in a myriad of service activities, and that these unfilled needs are likely to go begging unless additional steps are taken to develop them. The proposed amendment will give clear direction to what must be an integral part of a comprehensive manpower policy—the active development of jobs in the service area.
>
> The implementation of this proposal—

Secretary Wirtz pointed out—

> will be carried out in closest cooperation, not only with all appropriate Federal agencies * * * but with management and labor and local community representatives. * * * Labor standards will be carefully preserved. In fact, this program should contribute to raising standards. Service industries would become more productive and more responsive to the availability of the growing value of consumer income that is ready to pay for services.

The language of this provision, which directs the Secretary of Labor to stimulate and assist job development programs, "through on-the-job training and other suitable methods," is not meant to imply that on-the-job training projects which result from the job development program may be released from any of the requirements of section 204 of the act, which specifies the standards with respect

to rates of trainee compensation, content of the training program, and other conditions which must be observed for all such projects. Furthermore, the committee notes that this provision of the bill is not intended to authorize the Secretary to use title I appropriations to finance the direct costs of training and training allowances for projects that are directly or indirectly established through the Secretary's efforts in the area of job development. It is the committee's understanding that financing for the job development program under title I is essentially to be limited to promotional and administrative costs of the program.

Training program for "redevelopment areas"

This bill repeals, effective July 1, 1965, those provisions of the Area Redevelopment Act of 1961 which authorize a manpower training program and provides instead for a supplementary MDTA training program in areas designated as "redevelopment areas" by the Secretary of Commerce.[3] The bill authorizes the appropriation in each fiscal year of funds to be specifically designated for this supplementary training program and gives the Secretaries of Labor and Commerce discretion to expend these funds in the various States without adhering to the apportionment requirements that must be observed in distributing other title II training funds among the States. It provides for the participation of the Secretary of Commerce, as well as the Secretaries of Labor and of Health, Education, and Welfare in the administration of the program.

The act's provisions with respect to maximum amount and duration of training allowances and other aspects of MDTA training projects are made generally applicable to the projects established under this supplementary program—with the major exception that any unemployed or underemployed individual in a redevelopment area, whatever his past employment experience, age, or family status, is to be eligible for a training allowance if selected for training under this program.

In essence, the bill brings together under the Manpower Development and Training Act the two large-scale federally financed manpower training programs and eliminates certain arbitrary differences in the provisions governing them. The payment of allowances in ARA training programs is presently limited to a maximum period of 16 weeks, and the allowance payable (unchanged since 1961) corresponds to the maximum originally specified in 1962 for MDTA trainees—i.e., the average weekly unemployment compensation payment in the State where the allowance is being paid. The transfer of the ARA training program to MDTA extends to this program the more liberal MDTA provisions for duration of training and size of allowance, since there is no apparent reason why training projects in a redevelopment area should be subject to more restrictive terms than other projects. At the same time, the broader eligibility for training allowances under the present ARA program is preserved, in view of the particularly severe unemployment and other economic problems which characterize redevelopment areas. A relatively high proportion of individuals and families in these areas are likely to have suffered from chronic, long-term unemployment which has depleted their

[3] The necessary conditions for designation of areas as "redevelopment areas" are spelled out at length in sec. 5 of the Area Redevelopment Act of 1961. In brief, such areas must have suffered from "substantial" rates (6 percent or more) of unemployment for specified periods of time, or, in the case of rural areas, be characterized by low incomes and underemployment.

financial resources, and families will frequently have more than one member who is unemployed. The $20 weekly youth allowance may be especially inadequate for youths in such families. High and persistent levels of unemployment in these areas may also have made it impossible for some young people—in their early or middle twenties and no longer eligible for youth allowances—to have gained the 2 years of employment experience required for regular MDTA allowances. These considerations, as well as others, indicate the desirability of keeping the training allowance eligibility provision in this supplementary program for redevelopment areas free from the restrictions otherwise applicable to MDTA programs.

Special funding for a supplementary training program in redevelopment areas is desirable, since there may be a tendency to overlook the needs of these less prosperous areas, in the process of seeking out job opportunities for which workers can be trained. These funds will assure that lack of trained manpower will not be a barrier to local communities in their efforts to overcome their economic stagnation. The training contemplated under this section of the act should be closely related to the economic development activities of the areas. The objective of the training should be to place long-term unemployed or underemployed workers in jobs resulting from economic growth; in jobs in new and expanding firms; in jobs in firms assisted by Federal loan programs; and not in jobs resulting from labor turnover, because of inferior working conditions or wages, nor in jobs in establishments relocating from another area when the relocation will result in increased unemployment in the original location.

Experimental, developmental, demonstration, and pilot projects

The bill directs the Secretary of Labor to carry on, under title I of the act, a program of experimental, developmental, demonstration, and pilot projects. These projects will provide a better understanding of the problems involved in effectively training youth from deprived backgrounds, older workers, members of racial minorities, and other groups of workers with special employment difficulties. They will also help to develop better techniques and methods for meeting the training problems of these groups. The Secretary is authorized to enter into contracts with public or private organizations, and to make grants to public or private nonprofit organizations, for the purpose of planning, carrying out, and evaluating these projects.

In addition the bill makes specific references to two categories of such projects. First, the bill brings under title I the labor mobility demonstration projects authorized by the 1963 amendments to the act, extends to June 30, 1967, the period during which these projects are to be carried out, increases to $5 million the funds that may be appropriated in a fiscal year for them, and removes certain limits on the Secretary's freedom to use loans, grants, or a combination of both to help defray the relocation costs of the workers selected for participation in these pilot projects.[4] Second, the bill directs the Secretary to carry out, during a period ending June 30, 1967, special experimental and demonstration projects to assist, particularly, the

[4] The act presently sets June 30, 1965, as the ending date for the labor mobility demonstration projects, limits appropriations for them to $4,000,000 in any fiscal year, specifies that grants may not exceed 50 percent of the relocation costs of a participant in the projects, and limits a combination of loans and grants to 100 percent of a participant's relocation costs.

The labor mobility projects are presently authorized under title II of the act, in sec. 208. The bill repeals sec. 208 and authorizes these projects under a new sec. 104 of title I.

placement of MDTA trainees with police records. Limits of $200,000 for fiscal 1966 and $300,000 for fiscal 1967 are set on the funds that may be appropriated for these projects. The language of this provision of the bill is broad enough to allow the Secretary both to select other persons than MDTA trainees for participation in these projects and to carry out projects to assist in the placement of persons who are having difficulty in securing employment for reasons other than a record of past encounters with the law. However, it is expected that the greater part of the funds appropriated for these special projects will be expended to help meet the costs of securing bonds for persons with police records who have successfully completed MDTA training courses, but whom employers are unwilling to hire unless bonding can be provided.

In summary, the bill brings all experimental, developmental, demonstration, and pilot projects under title I of the act and gives the Secretary of Labor explicit authority to make grants, as well as enter into contracts for carrying out these projects. This shift to title I is designed to make a clear distinction between these projects and the regular, conventional training projects carried on under title II. It also insulates these experimental and developmental projects from the State-matching requirements for title II training projects, and from the requirements under section 301 governing apportionment of title II expenditures among the various States.

The 2-year extension of the period during which labor mobility demonstration projects are authorized to be carried on is necessitated by the fact that a lack of funds made it impossible for the Department of Labor to get the first group of these projects underway until late 1964. It would be impossible, accordingly, to accomplish the purposes for which the labor mobility projects are designed, if they were abruptly halted on June 30, 1965.

The special placement assistance demonstration projects are clearly needed to explore means of eliminating the barrier to productive employment that is too often faced by individuals with police records. The Manpower Development and Training Act has the purpose of reclaiming our human resources, and it is highly appropriate that steps are now to be taken under the act to attack the problem of waste of these resources resulting from denial of job opportunities to those saddled with records of past arrests or convictions. This problem is particularly acute, in view of the large number of American youths who acquire police records at one point or another during adolescence—and who may be permanently handicapped by these records, even though as adults they may have matured into as good employment risks as the general population.

Extension of training periods

The act presently limits payment of training allowances to a maximum of 52 weeks for those in occupational training programs. However, allowances may be paid for a period of up to 72 weeks to trainees assigned initially to programs of training in "basic education skills" which prepare them to enter occupational training programs.

The bill extends the period for which training allowances may be paid to a maximum of 104 weeks, whether the training is exclusively occupational or a mixture of "basic education" and occupational.

The purpose is not to bring about a sharp increase in the average length of MDTA training projects,[5] but to give needed flexibility to the program in two directions: (1) by enabling those with severely deprived educational backgrounds, who require much remedial instruction in "basic education skills" to receive a more adequate combination of "basic education" and occupational training than can now be provided within 72 weeks, and (2) to enable training to be carried on for more highly skilled and technical occupations than trainees can be adequately prepared for within the present limitation of 52 weeks.

Mr. Ivan Nestingen, Under Secretary of Health, Education, and Welfare, pointed out the need for a longer maximum training period for the disadvantaged in his testimony before the Holland subcommittee:

> There are some programs for the extremely disadvantaged which we should be doing, but are not, because they cannot be carried out in a 72-week program * * *. Nearly 20 percent of all unemployed persons have less than 8 years of schooling. However, only 5 percent of the manpower training enrollees have less than an 8th grade education. An increase in the length of training weeks would permit an increase in the number of persons with * * * educational deficiencies who could be referred to training.

Turning to the opposite side of the training spectrum, Mr. Nestingen went on to explain:

> Our placement data tell us that graduates of the more highly skilled occupational training programs are readily placed in employment. * * * Even now we can anticipate the time when there will be few places in the world of work for unskilled persons. New jobs are being created, but only for skills of an increasingly higher order. Many of these more skilled job opportunities are now automatically excluded from consideration for possible training by the fact that successful preparation is not possible in 52 weeks. We are particularly aware that the manpower development and training program is not yielding enough workers who are prepared for scientific and technical fields which are vital to our continued economic growth. Training, however, in many of the electronic, mechanical, and health fields must extend beyond the present 1-year allowance limit.

Secretary of Labor Wirtz has also stated:

> Few of the current programs can be of sufficient duration to prepare jobless workers for the technical occupations which are and will be increasingly in greatest demand. In addition, the current 1-year limitation on allowances results in some programs being accelerated to the point where some trainees simply cannot adjust to the tempo required and are lost to the program. These are often the ones who need the program the most.

There is no question that an extension of the training allowance period is necessary if the MDTA program is to include properly de-

[5] The average planned length of current MDTA projects, according to information supplied the Holland subcommittee, is 36 weeks.

signed projects to train workers for such occupations as computer programer, medical technician, automobile mechanic, electronic technician, electrical appliance serviceman, or engineering aid. Removal of the present 52-week limitation will further the congressional purpose of making the Manpower Development and Training Act an effective device for eliminating shortages in skilled occupations and upgrading the skill level of the Nation's work force.

Broadened eligibility for regular training allowances

Under the act as originally passed in 1962, eligibility for regular training allowances (i.e., all allowances other than the special allowances of up to $20 a week provided under certain circumstances for youths below the age of 22) was restricted to unemployed persons with not less than 3 years of employment experience, who were either heads of families of heads of households.

In 1963, the Act was amended to extend eligibility for regular allowances to unemployed persons with only 2 years of employment experience, and to members of a household in which the head of the household or head of the family is unemployed. The amendment provided, however, that no more than one person is any one household could receive regular training allowances at one time.

This bill further liberalizes the eligibility requirements, in two ways. First, it provides that unemployed persons without dependents, who are not living as members of a family or household group, can also receive regular training allowances. This provision simply corrects the anomalous situation created by the 1963 amendments which made a single person eligible if he were living as a member of a family or household whose head was unemployed—but denied him an allowance if he were living apart from his family. There is no apparent reason why an unemployed single person living alone should have less need for a training allowance than an unemployed single person living in a household whose head is unemployed.[6]

Secondly, the bill allows more than one unemployed member of a family or household to receive a regular training allowance—provided that the head of the family or household is not employed. The status of the household or family head is thus a critical element in the eligibility determination process. If he is not employed, he and any number of otherwise qualified [7] unemployed members of his family or household are eligible for regular training allowances. If, however, he is employed, then no member of his family or household is eligible for a regular training allowance. This amendment, it should be noted, does not preclude the Secretary of Labor from exercising judgment as to how many persons in one family or household shall receive allowances at any particular time, consistent with good program administration.

With respect to administration of the provisions regarding training allowance eligibility, the committee notes that persons who have been determined to be eligible for training allowances under an MDTA program should not have their allowances suspended for terminated for reasons beyond their control. It considers it desirable that the eligibility provisions be interpreted liberally, in order to avoid placing

[6] The word "single" is used here to denote an unmarried, widowed, or divorced individual without dependents.

[7] Two years' employment experience is still required, of course, before an individual can qualify for a regular training allowance.

severe economic pressure upon a trainee by unnecessarily withdrawing an allowance once his training has begun. Specifically, if an allowance is being paid to a member of a family or household whose head is unemployed, it would not further the purpose of this act to have the allowance periodically withheld from the trainee because the family or household head has occasionally obtained short-time or odd-job work—particularly when this earnings in such work are minimal.

Allowances for trainees with more than two dependents

The act originally provided that a trainee's regular weekly training allowance should not exceed the average weekly unemployment compensation payment (for a week of total unemployment) in his State during the most recent calendar quarter. In 1963, the act was amended to allow the regular training allowance to be as much as $10 above the average weekly unemployment compensation payment.

This bill increases the maximum regular training allowance for trainees with more than two dependents by authorizing an additional $5 per week for each dependent over two up to a maximum of four additional dependents. Thus, a trainee with a wife and five or more children is made eligible to receive an allowance of $30 above the average weekly unemployment compensation payment in his State. The Department of Labor shows a current range of $24 to $44 in this average payment, among the 50 States.

Secretary Wirtz, in supporting this provision of the bill, told the Holland subcommittee:

> These increases are urgently needed because the pressure of heavy family responsibilities frequently forces workers who need training the most to drop out of the program * * *. Many of the training programs are in the States having the lowest allowances. They are frequently not enough to enable a trainee to support his family, particularly for the more long-term training periods.

This liberalization of the maximum allowance payable is, as Secretary Wirtz implies, a logical accompaniment to the extension of the maximum compensated training period to 104 weeks. The longer the period of training, the greater the difficulty faced by a trainee with a large family in resisting the temptation to drop out to take any job which pays substantially more than the training allowance. It is in the public interest to minimize the obvious waste which is involved when a person who has been partially trained fails to complete sufficient training to qualify him for a new occupation. Such waste—of human resources and of Federal training funds—may be especially likely to occur in the case of a fairly well educated and talented trainee, engaged in a longer term MDTA training project preparing him for a relatively high level of skill, who may have an opportunity to take a less skilled job which at least offers an income well above the MDTA training allowance.

The objection usually offered to efforts to liberalize welfare and relief payments—namely, that a higher level of payments may reduce the recipient's incentive to find employment—is not relevant with respect to the allowances paid under the MDTA program. An MDTA trainee continues to receive an allowance only if he is making reasonable progress toward acquiring the occupational skill for which he is being trained. And the effort to master a new and usually

higher level skill is a greater day-to-day challenge to the trainee than he would face by dropping out of the program and taking a job utilizing only his present skills.

Private educational and training institutions

Although the committee restored a limited State matching contribution to the bill as reported from subcommittee, it specifically authorized the Federal payment of up to 100 percent of the instructional and other costs of projects to be carried out in private educational and training institutions, if the Secretary of Health, Education, and Welfare determines that such payment is necessary in order "to give full effect to the purposes of the act."

The intent of this committee amendment is to assure continuation of the present policy of assigning to private institutions those specific training projects which they can carry out with equal or greater effectiveness than public institutions, and at lower cost. Congress, when it passed the act in 1962, intended that the facilities of properly qualified, private training institutions could be used for MDTA training. In 1963, Congress reemphasized its desire to have private institutions participate in the program by specifically amending the act to authorize the State vocational education agencies to contract for training with such institutions where they "can provide substantially equivalent training with reduced Federal expenditures."

Statements presented during the course of the Holland subcommittee's hearings on this bill indicated that private training institutions have so far played a small, but valuable, role in the MDTA program. These institutions can be especially helpful in achieving the purposes of the program in certain situations. One of these situations arises when private institutions possess more modern equipment and facilities than public training institutions. Another exists when a private institution can quickly absorb into one of its ongoing programs an individually referred MDTA trainee, or a small group of MDTA trainees, and thus prevent these approved trainees from waiting until a specific new MDTA project can be gotten underway in a public institution.[8] An additional case is found when the capacity of public vocational schools and other public institutions in an area becomes too fully utilized to allow them to take on the desired number of MDTA trainees.

Representatives of the Department of Health, Education, and Welfare, the American Vocational Association, and individual State vocational education agencies have indicated their strong support for preserving the role of private institutions as needed participants in MDTA training. In certain States, however, legal or other barriers may prevent a State's contributing the required 10 percent of training costs to an MDTA project assigned to a private institution. In view

[8] One of the more serious problems that arises in the MDTA program is the frequent necessity to keep an unemployed worker, who has been approved for training, waiting until a sufficient number of prospective trainees have been gathered together to enable a new training project to be understaken on a reasonably economic scale. Particularly if the waiting period extends into a number of weeks, the individual may be induced by prolonged financial hardship to take a dead end job or one which underutilizes his potential abilities and thus forego his chance for training. Though this problem cannot be completely eliminated, the committee urges the administrators of the MDTA program to take every appropriate step to avoid the loss—to the individual and to society—that occurs when a person qualified and accepted for training is forced to give up his opportunity because of long delays in getting a project started. One of the developments in the administration of the program that is calculated to increase its usefulness is the referral of individuals, at the time that they are available for training, to institutions, both public and private, at the nearest available location. The project system alone does not provide sufficient suitable training opportunities for the wide variety of training needed and in the many localities in which it should be made available.

of this situation, the committee has acted to authorize full Federal financing, where necessary, of training projects that can best be carried on in private institutions.

Authorized appropriations

The bill authorizes the appropriation, through the fiscal year ending June 30, 1968, of such amounts as may be necessary to carry out the purposes of the act.

The act presently contains authorization limits, specified separately by title. These limits, for the fiscal year ending June 30, 1965, are: $3 million for carrying out title I; $407 million for carrying out title II; and $1 million for carrying out title III.[9]

Though the committee has not written specific authorization figures into this bill, it supports the expressed intention of the Secretary of Labor, in his testimony before the Holland subcommittee, to devote substantially more funds to research than has been possible within the act's present annual limit of $3 million for title I appropriations, and also to increase expenditures for experimental, developmental, demonstration, and pilot projects above their present level.

The committee recognizes the great potential benefits of enlarged research and experimental programs, and believes that the initial returns from the relatively limited programs carried out thus far clearly warrant expansion of the scope of these activities. Well-qualified observers of the MDTA program have been particularly impressed with the way a number of the research efforts have immediately and directly guided the development of manpower policies and the improvement of training activities. An impressive array of academic and other research resources have been enlisted in these efforts, and members of the various social science disciplines have been effectively drawn together in pooled research undertakings. As Secretary of Labor Wirtz pointed out, "The wisdom of the Congress in establishing a strong mandate for research and experimental progress has been clearly demonstrated." The committee agrees with the Secretary that significantly larger financial resources are now required, in order to exploit the manpower research potentialities that are opening up.

Other Provisions of the Bill

RESEARCH GRANTS

The bill amends title I of the act to explicitly authorize the Secretary of Labor to make grants, as well as to enter into contracts, for the conduct of research related to the Nation's manpower problems. This amendment is simply designed to give greater scope and flexibility in maintaining an effective, imaginative program of research. As explained by the labor market research specialists who appeared as witnesses before the Holland subcommittee, the use of grants is especially appropriate for the more pioneering and exploratory research projects whose probable results and findings are particularly difficult to predict. Prof. Richard A. Lester, of Princeton University,

[9] The present limit on authorized annual appropriations for training programs under the Area Redevelopment Act, which are now to be transferred to MDTA, is $14.5 million, composed of a $10 million limit on weekly training allowances and a $4.5 million limit on other costs of training.

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gave an effective summary of this point in his statement to the subcommittee:

> Formal contracts for research usually entail certain advantages and disadvantages. They apply best in fields that are fairly well developed and for research that can be well defined and definitely mapped out in advance, with a specific timetable. The disadvantages center around the redtape and rigidities that may involve considerable delay before the contract is finally signed, and the need for contract revisions with experience, all of which may involve extra expenditures of time by the agency staff and the contractor.
>
> The advantages of the research grant have been its relative simplicity and flexibility, its minimal reporting burden, and the opportunity it affords for initiative on the part of the research agency * * *. It would seem desirable for the Government contracting agency to have both means at its disposal so as to be able to make the best arrangements to fit particular sets of circumstances.

The authority to make grants will thus give greater flexibility where necessary for such purposes as the development of project planning, preliminary to negotiations of a contract; support of younger research personnel on small projects (particularly for Ph. D. dissertation research in the manpower fields); financing of relatively inexpensive projects (under $10,000) where the administrative burdens of the formal contract procedure are unduly cumbersome; and the development of manpower research centers. In particular, the committee notes its approval of the Secretary of Labor's proposed intention to use a portion of the funds available under title I to aid the establishment of a limited number of regional manpower research cents. Such centers will facilitate a continuity in research and other relationships among governmental and nongovernmental manpower experts that is not feasible under an ad hoc contract-by-contract arrangement; will encourage coordination of activities among research-oriented organizations within each region; and will assist the development of critically needed, trained manpower research personnel.

PAYMENT OF TRANSPORTATION COSTS

The act presently authorizes the payment of transportation costs (up to 10 cents per mile) only for a trainee who must move away from his regular place of residence in order to take training; e.g., a trainee with a home in eastern Oregon who is approved for a training project located in Portland.

The bill amends the act to authorize payment of transportation expenses for those MDTA trainees (the vast majority) who commute each day between their homes and the training facility. The limit of 10 cents per mile is not made applicable to these daily commuting expenses, since, for many trainees, the local bus, subway, or other public transportation fare will exceed this limit. The bill provides, instead, for reimbursement to the trainee of the cost of travel by the most economical means of public transportation.

This provision of the bill will reduce the financial hardship imposed upon a great number of MDTA trainees, particularly those in large

metropolitan areas, by the necessity to allot a far from insignificant proportion of their limited training allowances to meet the costs of getting to and from the training facility. These costs may well mount up to $5 per week and more for many trainees. The committee believes, therefore, that it will further the purpose of the act to reimburse trainees for the extra transportation costs they incur by demonstrating the personal initiative and motivation to take part in a training program, and thus to make the entire training allowance available to help meet their ordinary living expenses.

COMPUTATION OF THE AVERAGE WEEKLY UNEMPLOYMENT COMPENSATION PAYMENT

The bill makes two minor changes in the method of computing the average weekly unemployment compensation payment figure which is to be used in each State as the primary element in determining a trainee's weekly allowance.

First, the figure is now to be computed as the average of payments made over the most recent four calendar quarter period for which data is available, instead of as the average of payments in the single most recent calendar quarter period. This change in the method of computation is desirable in order to prevent the occasional necessity to raise or lower the weekly MDTA training allowance, in some States, in response to seasonal fluctuations (from one quarter to the next) in the States' average weekly unemployment compensation payment. Calculating the average over a four-quarter period is expected to eliminate such fluctuations due to seasonal factors. While the MDTA weekly allowance is designed to be related to the general level of unemployment compensation in each individual State, no purpose would be served by having the allowance rise or fall simply because of seasonal changes in that level.

Second, the figure is now to be computed as the average "gross" weekly unemployment compensation payment. The purpose of inserting the word "gross" is to eliminate certain arbitrary differences among the various States with respect to the computation. In some States the weekly payment and unemployment compensation claimant receives may, under State law, be reduced from the "gross" amount to which he would normally be entitled, on the basis of his recent work experience and earnings. Such reductions may be imposed because the claimant is also receiving a pension, social security benefits, dismissal pay in lieu of notice, or certain other forms of income. Since the types and amounts of such reductions vary greatly from State to State, and since changes in them can affect the State's average unemployment compensation payment, and thus the average MDTA allowance paid in the State,[10] the committee has decided to require them to be excluded from the process of computation. The insertion of the word "gross" into section 203(a) of the act is designed to eliminate from the computation the amounts paid to all persons who do not receive a "gross" payment during the period. Thus, the total amount paid to any individual whose unemployment compensation

[10] In Pennsylvania, for example, the State unemployment insurance law was recently amended to require a claimant's "gross" payment to be reduced by the amount of any pension he receives. The result was a reduction, for the 3d quarter of 1964, of $2 in the average "net" unemployment compensation payment in the State—with a consequent reduction in the weekly allowance being paid to MDTA trainees in Pennsylvania. A technical change in the Pennsylvania law thus forced a cut in the MDTA allowance which was resented and not easily understood by the trainees and which in no way served to further the purposes of the MDTA program.

benefit payment has been reduced because he received other income of the types described above will be disregarded in calculating the average payment for purposes of determining the MDTA allowance payable.

PART-TIME WORK BY ON-THE-JOB TRAINEES

The act presently provides that an MDTA trainee—other than a trainee in an on-the-job training program—may receive the full allowance he is otherwise entitled to, if he is engaged in part-time employment for no more than 20 hours per week. If he is employed for more than 20 hours, his training allowance is reduced by the full amount of his earnings for those hours worked in excess of 20.

The bill now extends this provision to cover on-the-job trainees as well. That is, an on-the-job trainee will be entitled to receive whatever training allowance he would otherwise have received, if he is employed for no more than 20 hours per week in employment other than that provided as part of the training program. Presently, under the act, his training allowance is reduced by 2.5 percent for each hour of paid employment he has during a week, whether that employment is, or is not, part of the on-the-job training program.

No apparent purpose is served by treating an on-the-job trainee differently from other MDTA trainees with respect to the effect on his training allowance of taking part-time employment. Accordingly, the bill eliminates the distinction presently made in the act.

The effect of this provision of the bill can be illustrated by a hypothetical case. Assume that the regular training allowance to which an individual MDTA trainee would normally be entitled is $30. Assume that the trainee is enrolled in an on-the-job training program, for a period of 30 hours per week, that for 20 of these hours he is actually engaged in the production of goods or services and therefore receives payment from the training employer for these 20 hours, and that in addition the trainee has a part-time job for 12 hours a week with a second employer. Presently under the act, this trainee would not receive a weekly MDTA allowance of more than $6 (20 percent of $30), since he is engaged in 32 hours of paid employment during the week and for each hour of such employment his allowance is reduced by 2.5 percent. Under the act, as it would be amended by this bill, the maximum allowance which this trainee could receive would be raised to $15, since only the 20 hours of compensated employment under the training program would be considered in calculating his allowance.

COMMITMENTS OF FUNDS FOR TRAINING PROGRAMS

The bill adds a new section 305(e) to the act, to provide that the costs, including training allowances, of all training programs approved in a fiscal year may be paid from funds appropriated for that year.

This provision is needed to deal with an essentially technical problem that has complicated the administration of the MDTA program. At present, when an MDTA training project is approved, all costs to be incurred for the project are obligated against the current appropriation in effect at the time of the project's approval. With respect to the costs of training allowances, however, this practice cannot always be followed, because the General Accounting Office has indi-

cated that the payment of allowances to a trainee becomes a legal commitment on the part of the United States to the trainee only after the trainee is selected and referred for training. Thus, if a training project is approved shortly before the end of a fiscal year—for example, in early June—the training cost in its entirety becomes an obligation against the current appropriation. But the selection and referral of the trainees, and the incurring of a legal commitment to them, may occasionally not take place until after the beginning of the next fiscal year on July 1. The result, in effect, is that a program approved in 1 fiscal year creates a contingent commitment for training allowances against the next fiscal year's appropriation.

The Department of Labor states that the fiscal management of the MDTA program has been complicated by this distinction in the treatment of training allowances as opposed to other costs of MDTA training projects. Accordingly, the bill amends the act so as to authorize the obligation of all costs, including allowances, against the appropriation current at the time the project is approved, without regard to when the trainees are selected and referred.

The new section 305(e) added by this bill also provides that the Federal share of the costs of a training project shall be the share specified by the act at the time the project is approved. The practical effect of this provision is to assure 100 percent Federal financing of the costs of training projects approved prior to July 1, 1966, even though actual training under these approved projects may not begin prior to that date or may extend beyond that date.

PROPORTION OF YOUTH TRAINEES

The bill amends section 203(c) to authorize the Secretary of Labor to make "such adjustments as may be necessary for effective management of programs under this section," in conforming to the act's limitation with respect to youth enrollment in the MDTA program. Though the act does not explicitly restrict the proportion of youths (age 16 or older, but below the age of 22) who may be accepted as trainees, it does state that no more than 25 percent of those trainees who are receiving training allowances or unemployment compensation benefit payments may be youths under the age of 22.

Since the MDTA program is highly decentralized, the hundreds of separate training projects being approved and carried on simultaneously in the 50 States, it has proven to be administratively difficult to conform to this 25-percent limitation when it is interpreted as an absolutely rigid limit. Accordingly, this bill gives the Secretary of Labor some degree of flexibility with respect to this limit, so that the approval of trainees for projects will not have to be unduly delayed while time-consuming examinations of the most recent national enrollment figures are carried out to determine whether the acceptance of a few more trainees below the age of 22 is likely to create a violation of the 25-percent limit.

The committee takes note of the fact that the Secretary's intention, in requesting this provision of the bill, is only to gain some needed flexibility and elbowroom. There is no intention to change present policies with respect to the enrollment of youth in the MDTA program. Since the act was last amended, in 1963, to increase effectively the proportion of youth trainees, Congress has enacted the Economic

Opportunity Act of 1964. The Neighborhood Youth Corps, the Job Corps, and other programs authorized by this recent act provide extensive new work and training opportunities for youth. Accordingly, the committee reaffirms its support for a policy of maintaining a reasonable limitation on the proportion of youths in the MDTA program. The primary emphasis of the Manpower Development and Training Act, from its beginning, has been upon the training and retraining of unemployed adults with substantial past employment experience. This continues to be the proper emphasis, in the view of the committee.

Additional Comments

As part of its reexamination of the Manpower Development and Training Act which has been prompted by this bill, the committee wishes to record its observations upon certain aspects of the MDTA program and upon some of the issues raised by those presenting testimony and statements to the Holland subcommittee.

SAFEGUARDING AGAINST MDTA SUBSTITUTION FOR PRIVATE TRAINING EFFORTS

The committee considers it desirable to emphasize, as it has in the past, that the extablishment of a manpower development and training program was not intended to substitute Government-subsidized training for training normally undertaken by management, to discourage training by private industry, or to inadvertently lead to disruption of an industry's competitive relationships. There are obviously situations, accordingly, in which it is not appropriate for MDTA training projects to be established. Firms in the apparel and garment industry, for example, are intensively competitive in a national market, are highly mobile, and have traditionally provided their own training on the job. In this industry prior training or possession of a specific skill is not typically prerequisite for obtaining employment. In an industry such as this, Government-subsidized training can disrupt competitive relationships by providing an advantage to some employers over others, and wastes Government funds by shifting the training function from industry to Government. Moreover, such subsidized training does not add to the sum total of jobs but merely brings about a redistribution of production, employment, and unemployment within the industry. It is the committee's intention, therefore, that financial support under this act shall not be made available for training programs in such an industry.

ADVISORY COMMITTEES

In its report [11] accompanying the proposed 1963 amendments to the act, the committee stated its strong conviction that manpower advisory committees:

> * * * should be established at the local and State or regional level wherever appropriate and their advice sought before projects are approved.

The act, accordingly, was amended in 1963 to direct the Secretary of Labor, where appropriate, to "require the organization on a com-

[11] Rept. No. 861, 88th Cong., 1st sess.

munity, State, and/or regional basis of labor-management-public advisory committees."

Despite the legislative action taken in 1963, members of the committee have continued to receive criticisms concerning both the excessive slowness in establishing effective advisory committees in some regions and communities and the overly limited role that advisory committees have thus far played in the MDTA program. There appears to be evidence that administrators of the MDTA program, all too often, have failed to take sufficient steps to involve these committees in the planning and evaluation of program activities. The committee again calls to the attention of the Secretary of Labor, therefore, its belief that each proposed MDTA training project should be examined in advance by a properly constituted labor-management-public advisory committee.

If a committee has not been established in or near the community where the project is to be located, then responsibility for examining the project should be assumed by the State advisory committee. Moreover, when an MDTA training project is proposed for development on a nationwide basis—for example, by arrangement with a national trade association—it seems clearly desirable to have the proposal reviewed in advance by the National Manpower Advisory Committee.

The committee fully recognizes the importance, for an effective manpower development and training program, of arousing broad-based community support and encouraging widespread participation by representatives of labor, management, and other interested groups. By having proposed projects subjected to the scrutiny of such interested parties, administrators of the MDTA program not only receive the benefit of expert advice, but are also helped in their task of assuring that MDTA training does not become exploited as a source of cheap labor or as a means for undermining existing labor standards.

CONGRESSIONAL REVIEW OF PRESIDENT'S MANPOWER REPORT

The committee notes with approval the suggestion made by representatives of labor, in testimony before the Holland subcommittee, that annual congressional hearings be instituted upon the manpower report of the President. The act requires that the report be transmitted to Congress within 60 days after the beginning of each regular session. This annual manpower report, since its first appearance in 1963, has proven to be one of the most stimulating, widely known, and valuable of Government documents and has helped immensely to focus public attention upon the Nation's challenging manpower problems. The committee believes that it would be enlightening both to the Congress and to the general public to have congressional hearings conducted each year upon the findings, conclusions, and issues raised by the manpower report. Such a congressional review has a precedent in the form of the hearings held annually by the Joint Economic Committee upon the Economic Report of the President. Congressional hearings upon the manpower report would serve to emphasize the critical importance of developing and utilizing our human resources resources and would provide a broader forum for examination of manpower problems generally than can usually be provided by hearings focused upon a specific item of legislation.

ADEQUACY OF OPERATING AGENCIES

When the Manpower Development and Training Act became law in 1962, crucial responsibilities for effective operation of the MDTA program were assigned to the Federal-State employment service system. Under this act, the public employment service has the principal duties of identifying job opportunities for which training is appropriate, interviewing, testing, and selecting the trainees, providing counseling services to trainees, and seeking to place graduates of MDTA training programs in employment.

It was well recognized at the time this proposed act was introduced, in 1961, that the success of the MDTA program would depend greatly upon an effective employment service system. Secretary of Labor Arthur Goldberg, testifying in support of the legislation, stated:

> Before individuals are selected for training, we need to know not only the needs of our industries, but also a lot about each individual worker. * * * In this initial step in the training program, we will utilize to the fullest the counseling facilities of the local State employment service offices. Although such services already exist, the will have to be greatly expanded to do the kind of job that will be necessary. We have already launched a program of expanded services at the direction of the President, but even more will have to be done.

Congressional recognition that the MDTA program would call for an improved employment service was indicated in the Senate report accompanying the act, as originally proposed, in 1961:

> It is evident that the large-scale program envisaged by this bill will require extensive upgrading, both in quality and in quantity, of the personnel of these State employment offices. In too many States and localities, these institutions are weak, and preoccupied with the mechanics of recordkeeping and paying unemployment benefits * * *. The committee has taken notice of the many studies surveying the employment services, which invariably recognize their weaknesses. These must be corrected if the tasks provided by this bill are to be performed.[12]

Since 1961, when the Kennedy-Johnson administration entered office, the committee notes that encouraging steps have been taken to revitalize and improve the Federal-State employment service system, so as to enable it to meet more adequately its heavy responsibilities not only under this act but also under other legislation of recent years. Nevertheless, the committee is aware that the personnel and other resources of the employment service need further strengthening. No public agency has a more vital and central role than the employment service in the Nation's effort to achieve full development and utilization of its manpower. Accordingly, the committee believes that it is essential that Congress take such steps as are still needed, in order to assure that the employment service is well prepared to carry out this role.

[12] S. Rept. 626, 87th Cong., 1st sess.

ADMINISTRATION OF THE PROGRAM

The committee wishes to stress the obvious—but important—point that the achievements of the Manpower Development and Training Act depend greatly upon the judgment and discretion of its administrators in maintaining a soundly planned and well-balanced program. It should be noted that the 1963 amendments to this act and the amendments proposed in this bill have the effect of affording additional flexibility and opportunity for exercising discretion to those who are responsible for administering the program.

Among the suggestions made by witnesses before the Holland subcommittee were two proposals for limiting administrative discretion upon which the committee believes comments are in order. Representatives of industry who are enthusiastic over the progress of some of the major MDTA on-the-job training projects urged the committee to consider requiring that at least 25 percent of MDTA training funds be allocated to on-the-job training. The committee was not persuaded that it is desirable to establish a fixed division of funds between the on-the-job and the institutional training components of the MDTA program. It wishes, however, to emphasize again—as it did in its 1963 report—that a large role for on-the-job training was envisioned to the time the act was adopted, and that the committee counsels the Secretary of Labor to give continuing attention to the problem of assuring that this valuable type of training is not allowed to become a relatively neglected aspect of the program.

Secondly, representatives of organized labor vigorously urged the committee to write into the act—

> * * * a requirement that, at the very least, workers will not be trained for any jobs which pay less than the minimum wage stipulated in the Fair Labor Standards Act, whether or not the job is in a covered occupation or industry.

Although a strong case can be made on behalf of putting such a requirement into the act, the committee did not decide to impose such a limit upon the discretion of administrators in establishing MDTA training projects for specific occupations. Members of the committee are deeply concerned over the inexcusably low wages in many occupations—including occupations for which some workers have been prepared under the MDTA program—but a more direct attack upon this problem can be made through prompt legislative action to extend broadly the coverage of the Fair Labor Standards Act.[13] However, the committee expects that administrators of the MDTA program will remain acutely aware that the purpose of the act is not to reduce the statistically measured number of unemployed by putting individuals into any job vacancies that can be found, no matter how miserably paid and insecure such jobs may be. In occupations and industries where wages and working conditions are exceptionally substandard and turnover high, the number of reported "job opportunities"

[13] On this point, the committee calls attention to portions of a statement presented to the Select Subcommittee on Labor by the American Nurses' Association:

"We * * * wish to point out that unemployed persons being trained for the health occupations will be entering a field of employment that is itself economically depressed and has a high rate of turnover. Studies by the Bureau of Labor Statistics over the years raise serious questions about employment as a nonprofessional worker in a hospital as a self-supporting job placement. For example, according to BLS, in June and July of 1963, when the Federal minimum wage was $1.15 an hour, in none of the cities surveyed was the average as high as the Federal standard and in Memphis and Atlanta average hourly cash wages were from 38 to 53 cents lower than the minimum."

commonly tends to be high. The committee trusts that this fact will be given due consideration in the process of discovering and assessing those job opportunities for which MDTA training projects are to be considered.

Section-by-Section Analysis

The committee reported H.R. 4257 with an amendment striking out the text of the bill and inserting a new text. This section-by-section analysis describes the provisions of the committee amendment. References herein to the "act" are to the Manpower Development and Training Act of 1962.

Section 1

This section provides that this act may be cited as the "Manpower Act of 1965."

Section 2

Subsection (a) makes clear that the Secretary of Labor may arrange for research and investigations in furtherance of the act either through grants or through contracts.

Subsection (b) permits the Secretary of Labor (after appropriate consultation with the Secretaries of Commerce, and of Health, Education, and Welfare, and the Director of the Office of Economic Opportunity) to establish, through grants to or contracts with public or private nonprofit organizations or through contracts with other private organizations, pilot projects to demonstrate and improve methods of meeting manpower, employment and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, and members of minority groups. The Secretary is to seek the advice of consultants with respect to these projects.

Section 3

Section 3(a) redesignates sections 103 and 104 of the act as 106 and 107, and inserts before them new sections 103, 104, and 105. Section 3(b) changes a cross reference to a section redesignated by subsection (a).

The new section 103 of the act would direct the Secretary of Labor to stimulate and assist job development programs which will expand employment by filling service and related needs now not being met.

The new section 104 incorporates into title I the present provisions of section 208 (relating to labor mobility demonstration projects); extends for 2 years, until July 1967, the authority of the Secretary of Labor to carry out these projects; removes the limitation that grants to unemployed persons may not exceed one-half of their relocation expenses, and that such grants, plus loans to them, may not exceed the total of such expenses. In addition, the new section requires that loans be made subject to certain limitations relating to assurance of and the term for repayment, availability elsewhere of credit, assurance of the effectiveness of the loan, and interest rate; and, finally, it increases the authorization for the section to $5 million from the present limitation of the lesser of $4 million or 2 percent of funds appropriated for title II.

The new section 105 of the act provides that during the period ending June 30, 1967, the Secretary of Labor shall carry out trainee placement assistance demonstration projects by assisting persons

seeking employment through a public employment office who have participated in federally assisted or financed employment training programs and who the Secretary finds have been denied employment although they are suitable and qualified to perform it. Under this section the Secretary may assist in the placement of trainees who have difficulty in obtaining fidelity bonds, either by paying premiums on such bonds or by contracting to indemnify the employer's loss from a trainee's infidelity, dishonesty, or default. Under this section authority for appropriations is limited to $200,000 and $300,000 in fiscal years ending in 1966 and 1967, respectively.

Section 4

Section 4 would amend section 202(i) to eliminate the additional 20 weeks of training allowances for trainees referred for the attainment of basic education skills. This change was made because of the 52-week increase in the maximum training period made by section 5(a)(1) of the bill.

Section 5

Section 5(a)(1) revises the first paragraph of section 203(a) of the act by increasing the length of the maximum period for which a person may receive training allowances from 52 weeks to 104 weeks; by permitting an addition to the allowance of $5 a week for each dependent over two up to a maximum of four additional dependents; and by permitting the maximum training allowance to be computed on the basis of the average weekly *gross* unemployment conpensation payment (including allowances for dependents) for a week of total unemployment in the State paying the training allowance during the most recent *four-calendar-quarter* period for which such data are available, rather than the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State paying the training allowance during the most recent *quarter* for which such data are available.

Section 5(a)(2) makes a conforming change in the second paragraph of section 203(a) to provide that supplemental training allowances paid to trainees receiving unemployment compensation shall equal the amount by which the allowance they would be eligible to receive (but for the receipt of unemployment compensation) under the first paragraph of 203(a) exceeds their unemployment compensation.

Sections 5(a) (3) and (4) amend section 203(a) of the act to permit persons in on-the-job training programs to receive compensation for up to 20 hours a week of work outside their training program without reduction in their training allowances. This provision is now in effect with respect to trainees other than on-the-job trainees.

Section 5(b) amends section 203(b) of the act which presently permits the payment of transportation expenses only to persons in training at facilities beyond commuting distance from their residence and only at a rate not exceeding 10 cents per mile. The amendment made by paragraph (1) would permit the payment of transportation expenses to persons being trained within commuting distance of their homes. The amendment made by paragraph (2) would permit reimbursement in excess of 10 cents per mile for the trainee's local travel by the most economical mode of public transportaton.

Section 5(c) revises section 203(c) of the act. Section 5(c)(1) makes a purely technical change. Section 5(c)(2) expands eligibility for

training allowances. The first sentence of section 203(c) presently requires that in order to be eligible for a training allowance a trainee (1) must be unemployed, (2) must have had 2 years of employment experience, (3) must be the head of a household or of a family or be a member of a household or family the head of which is unemployed, and (4) must be the only person in the family or household who receives an allowance. Under the amendment, the requirements would be that the trainee (1) must be unemployed, (2) must have had 2 years of employment experience, and (3) must not be a member of a family or household the head of which is employed.

Section 5(c)(3) amends the last sentence of section 203(c) which permits no more than 25 percent of the trainees receiving training allowances or unemployment compensation to be youths under the age of 22. The amendment permits adjustment of the 25-percent limitation if necessary for effective management of programs under section 203.

Section 5(d) repeals section 203(d) of the act, and redesignates the succeeding subsections of section 203. Section 203(d) required that States bear one-third of the cost of training allowances paid under section 203 in the fiscal year ending in 1966, and one-half of the cost in years ending thereafter.

Section 5(e) makes a conforming change in the redesignated section 203(g)(2) to provide for full Federal reimbursement of the railroad unemployment insurance account in the unemployment trust fund for benefits paid from such fund to trainees under the act.

Section 6

Section 6 makes a conforming change by repealing section 208 of the act (relating to labor mobility demonstration projects), the substance of which was incorporated into title I of the act by section 3(a) of the bill.

Section 7

Section 231 of the act presently provides that the costs of training unemployed persons referred for training by the Secretary of Labor shall be wholly borne by the United States through the fiscal year ending in 1965, and one-third borne by the United States thereafter, and that the costs of training employed persons shall be one-half borne by the United States. Section 7 would substitute for these provisions a requirement providing that the United States will bear the whole cost of training under the act through June 1966, and 90 percent of the cost thereafter, except that the Secretary of Health, Education, and Welfare may permit Federal payments in excess of 90 percent with respect to private institutions where required to give full effect to the purposes of the act. The State contribution may be in cash or kind. It should be noted that the present State matching requirement for training employed persons would be eliminated.

Section 8

This section repeals sections 16 and 17 of the Area Redevelopment Act, which relate to occupational training and retraining, and adds a new part at the end of title II of the Manpower Development and Training Act of 1962. The new part authorizes the Secretaries

of Labor and of Health, Education, and Welfare to provide a program of training and training allowances for unemployed or underemployed persons residing in redevelopment areas designated by the Secretary of Commerce under the Area Redevelopment Act or any subsequent act authorizing such designation. Programs under this part are to be carried on in accordance with the rest of the act, except that (1) the Secretaries of Labor and Commerce are to determine the occupational training and retraining needs of residents of redevelopment areas, (2) any unemployed or underemployed resident of a redevelopment area who can reasonably be expected to benefit from training shall be eligible for training and for the training allowances provided by section 203(a), (3) regulations shall be prescribed jointly with the Secretary of Commerce, and (4) funds available for the purpose of this part need not be apportioned among the States in accordance with section 301.

There is an unlimited authorization of appropriations to carry out the new part.

Section 8 of the bill does not take effect until July 1, 1965.

Section 9

This section amends section 302 of the act, which requires that States maintain their effort in the vocational education field, to add to the acts particularly mentioned the recently enacted Vocational Education Act of 1963.

Section 10

This section amends section 304 of the act to extend the authority for appropriations for the purposes of the act for 2 years, to June 30, 1968, and to remove the present limitations on the amount of such appropriations.

Section 11

This section adds a new subsection (e) to section 305 of the act. The new subsection permits payment from funds appropriated in a fiscal year of the costs (including costs of training allowances) of any training programs approved in that year, in accordance with the matching requirement applicable to the year of approval. Funds appropriated for the fiscal year ending in 1966 are available for programs approved prior to that fiscal year, in accordance with the matching requirement of the year of approval.

Section 12

This section amends section 309 of the act, which provides for annual reports by the Secretaries of Labor and Health, Education, and Welfare through 1966, to require annual reports for so long as an appropriation is authorized by section 304 of the act.

Section 13

Section 13 amends section 310 of the act to extend the authority conferred by title II for 2 years, through June 30, 1968, and to extend for 2 years, until 1969, the period during which funds may be disbursed for purposes of that title.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes, in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

AN ACT relating to manpower requirements, resources, development, and utilization, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Development and Training Act of 1962".

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT AND UTILIZATION

STATEMENT OF FINDINGS AND PURPOSE

Sec. 101. The Congress finds that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories; that even in periods of high unemployment, many employment opportunities remain unfilled because of the shortages of qualified personnel; and that it is in the national interest that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained as quickly as is reasonably possible, in order that the Nation may meet the staffing requirements of the struggle for freedom. The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments, foreign competition, relocation of industry, shifts in market demands, and other changes in the structure of the economy; that Government leadership is necessary to insure that the benefits of automation do not become burdens of widespread unemployment; that the problem of assuring sufficient employment opportunities will be compounded by the extraordinarily rapid growth of the labor force in the next decade, particularly by the entrance of young people into the labor force, that improved planning and expanded efforts will be required to assure that men, women, and young people will be trained and available to meet shifting employment needs; that many persons now unemployed or underemployed, in order to become qualified for reemployment or full employment must be assisted in providing themselves with skills which are or will be in demand in the labor market; that the skills of many persons now employed are inadequates to enable them to make their maximum contributions to the Nation's economy; and that it is in the national interest that the opportunity to acquire new skills be afforded to these people with the least delay in order to alleviate the hardships of unemployment, reduce the costs of unemployment compensation and public assistance, and to increase the Nation's productivity and its capacity to meet the requirements

of the space age. It is therefore the purpose of this Act to require the Federal Government to appraise the manpower requirements and resources of the Nation, and to develop and apply the information and methods needed to deal with the problems of unemployment resulting from automation and technological changes and other types of persistent unemployment.

EVALUATION, INFORMATION, AND RESEARCH

SEC. 102. To assist the Nation in accomplishing the objectives of technological progress while avoiding or minimizing individual hardship and widespread unemployment, the Secretary of Labor shall—

(1) evaluate the impact of, and benefits and problems created by, automation, technological progress, and other changes in the structure of production and demand on the use of the Nation's human resources; establish techniques and methods for detecting in advance the potential impact of such developments; develop solutions to these problems, and publish findings pertaining thereto;

(2) establish a program of factual studies of practices of employers and unions which tend to impede the mobility of workers or which facilitate mobility, including but not limited to early retirement and vesting provisions and practices under private compensation plans; the extension of health, welfare, and insurance benefits to laid-off workers; the operation of severance pay plans; and the use of extended leave plans for education and training purposes. A report on these studies shall be included as a part of the Secretary's report required under section [104] *107*;

(3) appraise the adequacy of the Nation's manpower development efforts to meet foreseeable manpower needs and recommend needed adjustments, including methods for promoting the most effective occupational utilization of and providing useful work experience and training opportunities for untrained and inexperienced youth;

(4) promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization, including prevention and amelioration of undesirable manpower effects from automation and other technological developments and improvement of the mobility of workers; [and]

(5) arrange, *through grants or contracts*, for the conduct of such research and investigations as give promise of furthering the objectives of this Act[.]*; and*

(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of

Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act.

JOB DEVELOPMENT PROGRAMS

SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

LABOR MOBILITY DEMONSTRATION PROJECTS

SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

(1) there is reasonable assurance of repayment of the loan;

(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

(5) the loan is repayable within not more than ten years.

(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a

public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.

SKILL AND TRAINING REQUIREMENTS

SEC. [103] *106*. The Secretary of Labor shall develop, compile, and make available, in such manner as he deems appropriate, information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, and employment trends on a National, State, area, or other appropriate basis which shall be used in the educational, training, counseling, and placement activities performed under this Act.

MANPOWER REPORT

SEC. [104] *107*. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training; and the President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1963) a report pertaining to manpower requirements, resources, utilization, and training.

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

PART A—DUTIES OF THE SECRETARY OF LABOR

GENERAL RESPONSIBILITY

SEC. 201. In carrying out the purposes of this Act, the Secretary of Labor shall determine the skill requirements of the economy, develop policies for the adequate occupational development and maximum utilization of the skills of the Nation's workers, promote and encourage the development of broad and diversified training programs, including on-the-job training, designed to qualify for employment the many persons who cannot reasonably be expected to secure full-time employment without such training, and to equip the Nation's workers with the new and improved skills that are or will be required.

SELECTION OF TRAINEES

SEC. 202. (a) The Secretary of Labor shall provide a program for testing, counseling, and selecting for occupational training under this Act those unemployed or underemployed persons who cannot reason-

ably be expected to secure appropriate full-time employment without training. Workers in farm families with less than $1,200 annual net family income shall be considered unemployed for the purpose of this Act.

(b) Whenever appropriate the Secretary shall provide a special program for the testing, counseling, selection, and referral of youths, sixteen years of age or older, for occupational training and further schooling, who because of inadequate educational background and work preparation are unable to qualify for and obtain employment without such training and schooling.

(c) Although priority in referral for training shall be extended to unemployed persons, the Secretary of Labor shall, to the maximum extent possible, also refer other persons qualified for training programs which will enable them to acquire needed skills. Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence.

(d) The Secretary of Labor shall determine the occupation training needs of referred persons, provide for their orderly selection and referral for training under this Act, and provide counseling and placement services to persons who have completed their training, as well as followup studies to determine whether the programs provided meet the occupational training needs of the persons referred.

(e) Before selecting a person for training, other than for training under subsection (i), the Secretary shall determine that there is a reasonable expectation of employment in the occupation for which the person is to be trained. If such employment is not available in the area in which the person resides, the Secretary shall obtain reasonable assurance of such person's willingness to accept employment outside his area of residence.

(f) The Secretary shall not refer persons for training in an occupation which requires less than two weeks training, unless there are immediate employment opportunities in such occupation.

(g) The duration of any training program to which a person is referred shall be reasonable and consistent with the occupation for which the person is being trained.

(h) Upon certification by the responsible training agency that a person who has been referred for training does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, the Secretary shall forthwith terminate his training and subsistence allowances, and his transportation allowances except such as may be necessary to enable him to return to his regular place of residence after termination of training, and withdraw his referral. Such person shall not be eligible for such allowances for one year thereafter.

(i) Whenever appropriate, the Secretary of Labor may also refer for the attainment of basic education skills those eligible persons who indicate their intention to, and will thereby be able to, pursue courses of occupational training of a type for which there appears to be reasonable expectation of employment. Such referrals shall be considered a referral for training within the meaning of this Act [, and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks].

TRAINING ALLOWANCES

SEC. 203. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents for the United States, to make payment of weekly training allowances to unemployed persons selected for training pursuant to the provisions of section 202 and undergoing such training in a program operated pursuant to the provisions of the Act. Such payments shall be made for a period not exceeding [fifty-two weeks (except where authorized for individuals referred for training under section 202(i)), and the amount] *one hundred and four weeks, and the basic amount* of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly *gross* unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent *four-calendar*-quarter *period* for which such data are available: *Provided, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: Provided* [*however*] *further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of [such allowance] *his total allowance, including payments for dependents,* shall receive an allowance increased by the amount of such excess. With respect to Guam and the Virgin Islands the Secretary shall by regulation determine the amount of the training allowance to be paid any eligible person taking training under this Act.

[With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than $10 more than the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent quarter for which such data are available, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. This supplemental training allowance shall not exceed the difference between his unemployment compensation and $10 more than the average weekly unemployment compensation payments referred to above.]

With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.

For persons undergoing on-the-job training, the amount of any payment which would otherwise be made by the Secretary of Labor under this section shall be reduced by an amount which bears the same ratio to that payment as the number of compensated hours per week *under the training program* bears to forty hours.

[The training allowance of a person engaged in full-time training under section 231 shall not be reduced on account of his part-time employment which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week.]

The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.

(b) The Secretary of Labor is authorized to pay to any person engaged in training under this title, including compensated full-time on-the-job training, such sums as he may determine to be necessary to defray transportation [and subsistence expenses for separate maintenance of such persons when such training is provided in facilities which are not within commuting distance of their regular place of residence] *expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee: Provided,* That the Secretary in defraying such subsistence expenses shall not afford any individual an allowance exceeding $35 per week, at the rate of $5 per day; nor shall the Secretary authorize any transportation expenditure exceeding the rate of 10 cents per mile, *except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation.*

(c) The Secretary of Labor shall pay training allowances only to unemployed persons who have had [not less than] *at least* two years of experience in gainful employment [and who are either heads of families or heads of households as defined in the Internal Revenue Code of 1954, or who are members of a household in which the head of the household or the head of the family is unemployed: *Provided,* That not more than one person in any one household may be receiving training allowances under this Act at any particular time.]*: Provided, That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.* Notwithstanding the preceding sentence, the Secretary may pay training allowances at a rate not in excess of $20 a week to youths seventeen years of age or older who require such training allowance in order to undertake training, who are referred for training in accordance with section 202(b), and who are not entitled to allowances under the preceding sentence, except that no such training allowance shall be paid to any such youth who has not graduated from high school, unless the Secretary has satisfied himself that such youth has continuously failed to attend school for a period of not less than one year and that the local authorities after pursuing all appropriate procedures, including guidance and counseling, have concluded, after considering any assistance available under section 13 of the Vocational Education Act of 1963, that further school attendance by such youth in any regular academic or vocational program is no longer practicable under the circumstances. [Not more than 25 per centum of the persons who are receiving training allowances (or

who would be entitled thereto but for receipt of unemployment compensation) may be youths under the age of twenty-two.] *The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation).*

[(d) For the fiscal year ending June 30, 1966, any amount paid to a State for training allowances under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid on condition that such State shall bear 33⅓ per centum of the amount of such payments, and for each fiscal year thereafter such amounts shall be paid on condition that such State shall bear 50 per centum of the amount of such payments.]

[(e)] (*d*) No training allowance shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied training allowances for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

[(f)] (*e*) A person who refuses, without good cause, to accept training under this Act shall not, for one year thereafter, be entitled to training allowances.

[(g)](*f*) Any agreement under this section may contain such provisions (including, as far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in regulations hereinafter authorized, determinations by any duly designated officer or agency as to the eligibility of persons for weekly training allowances under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

[(h)](*g*)(1) If State unemployment compensation payments are paid to a person taking training under this Act and eligible for a training allowance, the State making such payments shall be reimbursed from funds herein appropriated. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the States and such amount shall then be placed in the State's unemployment trust fund account.

(2) If employment benefits under the Railroad Unemployment Insurance Act are paid to a person taking training under this Act and eligible for a training allowance, the railroad unemployment insurance account in the unemployment trust fund shall be reimbursed, from funds herein appropriated, for all of such benefits paid [prior to July 1, 1965, for 66⅔ per centum of the amount of such benefits paid

during the fiscal year ending June 30, 1966, and 50 per centum of the amount of such benefits paid thereafter]. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the Railroad Retirement Board and such amount shall then be placed in the railroad unemployment insurance account.

[(i)](*h*) A person who, in connection with an occupational training program, has received a training allowance or whose unemployment compensation payments were reimbursed under the provisions of this Act or any other Federal Act shall not be entitled to training allowances under this Act for one year after the completion or other termination (for other than good cause) of the training with respect to which such allowance or payment was made.

[(j)](*i*) No training allowance shall be paid to any person who is receiving training for an occupation which requires a training period of less than six days.

ON-THE-JOB TRAINING

SEC. 204. (a) The Secretary of Labor shall encourage, develop, and secure the adoption of programs for on-the-job training needed to equip persons selected for training with the appropriate skills. The Secretary shall, to the maximum extent possible, secure the adoption by the States and by private and public agencies, employers, trade associations, labor organizations, and other industrial and community groups which he determines are qualified to conduct effective training programs under this title of such programs as he approves, and for this purpose he is authorized to enter into appropriate agreements with them.

(b) In adopting or approving any training program under this part, and as a condition to the expenditure of funds for any such program, the Secretary shall make such arrangements as he deems necessary to insure adherence to appropriate training standards, including assurances—

(1) that the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment;

(2) that the training period is reasonable and consistent with periods customarily required for comparable training;

(3) that adequate and safe facilities, and adequate personnel and records of attendance and progress are provided; and

(4) that the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, considering such factors as industry, geographical region, and trainee proficiency.

(c) Where on-the-job training programs under this part require supplementary classroom instruction, appropriate arrangements for such instruction shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.

ADVISORY COMMITTEES

SEC. 205. (a) The Secretary shall appoint a National Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed

to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this title, the Secretary shall, where appropriate, require the organization on a community, State, and/or regional basis of labor-management-public advisory committees.

(c) The National Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

(d) Appointed members of the National Advisory Committee shall be paid compensation at the rate of $50 per diem when engaged in the work of the National Advisory Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(e)(1) Any member of the National Advisory Committee is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

(2) The exemption granted by paragraph (1) of this subsection shall not extend—

(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment, or

(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment.

STATE AGREEMENTS

Sec. 206. (a) The Secretary of Labor is authorized to enter into an agreement with each State, or with the appropriate agency of each State, pursuant to which the Secretary of Labor may, for the purpose of carrying out his functions and duties under this title, utilize the services of the appropriate State agency and, notwithstanding any other provision of law, may make payments to such State or appropriate agency for expenses incurred for such purposes.

(b) Any agreement under this section may contain such provisions as will promote effective administration, protect the United States against loss and insure that the functions and duties to be carried out by the appropriate State agency are performed in a manner satisfactory to the Secretary.

RULES AND REGULATIONS

Sec. 207. The Secretary of Labor shall prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

[LABOR MOBILITY DEMONSTRATION PROJECTS

[SEC. 208. During the period ending June 30, 1965, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed. Where such assistance is provided in the form of grants, such grants may not exceed 50 per centum of the expenses incurred reasonably necessary to the transportation of the person who is relocating, and his family, and their household effects. Where such assistance is provided in the form of loans, or a combination of loans and grants, the total amount thereof may not exceed 100 per centum of such expenses and shall be made subject to such terms and conditions as the Secretary may prescribe. Of the funds appropriated for a fiscal year to carry out this title, not more than 2 per centum thereof, or $4,000,000, whichever is the lesser, may be used for the purposes of this section.]

PART B—DUTIES OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

GENERAL RESPONSIBILITIES

SEC. 231. The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title enter into agreements with States under which the appropriate State vocational education agencies will undertake to provide training needed to equip persons referred to the Secretary of Health, Education, and Welfare by the Secretary of Labor pursuant to section 202, for the occupations specified in the referrals, except that with respect to education to be provided pursuant to referrals under subsection (b) or (i) of section 202, the Secretary of Health, Education, and Welfare may make arrangements for the provision of the education to be provided under such subsection through other appropriate education agencies. Such State agencies shall provide for such training through public education agencies or institutions or through arrangements with private educational or training institutions where such institutions can provide substantially equivalent training with reduced Federal expenditures. [The State agency shall be paid 50 per centum of the cost to the State of carrying out the agreement, except that for the period ending June 30, 1965, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement with respect to unemployed persons, and for the fiscal year ending June 30, 1966, the State agency shall be paid 66⅔ per centum of such cost.] *The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full*

effect to the purposes of the Act: Provided, That, for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services. Such agreements shall contain such other provisions as will promote effective administration (including provision (1) for reports on the attendance and performance of trainees, (2) for immediate certification to the Secretary of Labor by the responsible training agency with respect to each person referred for training who does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, and (3) for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title. In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions.

RULES AND REGULATIONS

SEC. 232. The Secretary of Health, Education, and Welfare may prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

PART C—REDEVELOPMENT AREAS

SEC. 241. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: Provided, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section,

prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

(4) section 301 shall not apply with respect to funds available under this section.

(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.

TITLE III—MISCELLANEOUS

APPORTIONMENT OF BENEFITS

SEC. 301. For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall make such apportionment in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the lack of appropriate full-time employment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State, and (5) the average weekly unemployment compensation benefits paid by the State. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this Act.

MAINTENANCE OF STATE EFFORT

SEC. 302. No training program which is financed in whole or in part by the Federal Government under this Act shall be approved unless the Secretary of Labor, if the program is authorized under part A of title II, or the Secretary of Health, Education, and Welfare, if the program is authorized under part B of title II, satisfies himself that neither the State nor the locality in which the training is carried out has reduced or is reducing its own level of expenditures for vocational education and training, including program operation under provisions of the Smith-Hughes Vocational Education Act [and], titles I, II, and III of the Vocational Education Act of 1946, *and the Vocational Education Act of 1963*, except for reductions unrelated to the provisions or purposes of this Act.

OTHER AGENCIES AND DEPARTMENTS

SEC. 303. (a) In the performance of their function under this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services

or facilities of other agencies and instrumentalities of the Federal Government, under conditions specified in section 306(a). Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary of Labor and the Secretary of Health, Education, and Welfare and, to the extent permitted by law, to provide such services and facilities as either may request for his assistance in the performance of his functions under this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall carry out their responsibilities under this Act through the maximum utilization of all possible resources for skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

APPROPRIATIONS AUTHORIZED

[SEC. 304. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1963, $3,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, for the purpose of carrying out title I.

[(b) There are hereby authorized to be appropriated $97,000,000 for the fiscal year ending June 30, 1963, $161,000,000 for the fiscal year ending June 30, 1964, $407,000,000 for the fiscal year ending June 30, 1965, and $281,000,000 for the fiscal year ending June 30, 1966, for the purpose of carrying out title II.

[(c) There are hereby authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1963, $1,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, for the purpose of carrying out title III.

[(d) There are hereby authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1962, for planning and starting programs under this Act.]

SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years such amounts as may be necessary.

LIMITATIONS ON USE OF APPROPRIATED FUNDS

SEC. 305. (a) Funds appropriated under the authorization of this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(b) Any equipment and teaching aids purchased by a State or local education agency with funds appropriated to carry out the provisions of part B shall become the property of the State.

(c) No portion of the funds to be used under part B of this Act shall by appropriated directly or indirectly to the purchase, erection, or repair of any building except for minor remodeling of a public building necessary to make it suitable for use in training under part B.

(d) Funds appropriated under this Act shall remain available for one fiscal year beyond that in which appropriated.

(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: Provided, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved.

AUTHORITY TO CONTRACT

SEC. 306. (a) The Secretary of Labor and the Secretary of Health, Education, and Welfare may make such contracts or agreements, establish such procedures, and make such payments, either in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as they deem necessary to carry out the provisions of this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall not use any authority conferred by this Act to assist in relocating establishments from one area to another. Such limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

SELECTION AND REFERRAL

SEC. 307. The selection of persons for training under this Act and for placement of such persons shall not be contingent upon such person's membership or nonmembership in a labor organization.

DEFINITION

SEC. 308. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

SECRETARIES' REPORTS

SEC. 309. (a) [Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966] *Prior to April 1 in each year for which an appropriation is authorized by section 304*, the Secretary of Labor shall make a report to Congress. Such report shall contain an evaluation of the programs under title I and part A of title II, including the number of persons trained and the number and types of training activities under this Act, the number of unemployed or underemployed persons who have secured full-time employment as a result of such training, and the nature of such employment, the need for continuing such programs, and recommendations for improvement.

(b) [Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966] *Prior to April 1 in each year for which an appropriation is authorized by section 304*, the Secretary of Health, Education, and Welfare shall also make a report to Congress. Such report shall contain an evaluation of the programs under part B of title II, the need for continuing such programs, and recommendations for improvement. The first such report shall also contain the results of the vocational training survey which is presently being conducted under the supervision of the Secretary.

TERMINATION OF AUTHORITY

SEC. 310. (a) All authority conferred under title II of this Act shall terminate at the close of June 30, [1966] *1968*.

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment or other obligation entered into prior to the date of such termination: *Provided*, That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, [1966] *1968*.

SECTIONS 16 AND 17 OF THE AREA REDEVELOPMENT ACT

[OCCUPATIONAL TRAINING

[SEC. 16. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others for studies of the size, characteristics, skills adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

[(b) When a redevelopment area has an approved economic development program as provided in section 6(b)(10), the Secretary of Labor, in consultation with the Secretary and the Secretary of Agriculture, shall determine the occupational training or retraining needs of unemployed and underemployed individuals residing in the redevelopment area. The Secretary of Labor shall notify the Secretary of Health, Education, and Welfare of the occupational training or retraining requirements of the area, and shall provide for the orderly selection and referral of those unemployed or underemployed individuals residing in the area who can reasonably be expected to obtain employment as a result of the skill they will acquire in the training which is to be made available. The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

[(c) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the occupational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational

agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions.

[(d) The Secretary of Labor shall arrange to provide any necessary assistance for setting up apprenticeships, and to promote journeyman and other on-the-job training.

[(e) There are hereby authorized to be appropriated such sums, not in excess of $4,500,000 annually, as may be necessary to carry out the provisions of this section.

[(f) In providing assistance under this section with respect to unemployed and underemployed individuals residing in redevelopment areas, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall give consideration to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations.]

[RETRAINING SUBSISTENCE PAYMENTS

[SEC. 17. (a) The Secretary of Labor in consultation with the Secretary and the Secretary of Agriculture may, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed or underemployed individuals residing within such redevelopment areas who are certified by the Secretary of Labor to be undergoing occupational training or retraining under section 16 of this Act. Such payments shall be made only for the period the individual is receiving occupational training or retraining under section 16 of this Act, but not in any event to exceed sixteen weeks, and the amount of any such payment for any week shall be equal to the amount of the average weekly unemployment compensation payment (including allowances for dependents when appropriate) payable for a week of total unemployment in the State making such payments.

[(b) No weekly retraining payment shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or any State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied benefits for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

[(c) Any agreement under this section may contain provisions (including, so far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of

Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss, and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in the rules and regulations prescribed pursuant to subsection (d) of this section, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly retraining payments under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

[(d) The Secretary of Labor and the Secretary shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

[(e) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000 annually, as may be necessary to carry out the provisions of this section.]

○

Union Calendar No. 64

89TH CONGRESS
1ST SESSION

H. R. 4257

[Report No. 170]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1965

Mr. HOLLAND introduced the following bill; which was referred to the Committee on Education and Labor

MARCH 15, 1965

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 ~~That this Act may be cited as the "Manpower Act of 1965".~~
4 ~~SEC. 2. (a) Section 102(5) of the Manpower Develop-~~
5 ~~ment and Training Act, as amended (hereinafter referred~~
6 ~~to as the "Act"), is amended by adding a comma after the~~
7 ~~word "arrange" and inserting "through grants or contracts,"~~
8 ~~immediately following the comma.~~
9 ~~(b) Section 102 of the Act is further amended by~~
10 ~~adding new paragraphs (6) and (7) at the end thereof to~~
11 ~~read as follows:~~

1 ~~"(6) establish a program of experimental, develop-~~
2 ~~mental, demonstration, and pilot projects, through grants~~
3 ~~or contracts, with public or private nonprofit agencies,~~
4 ~~for the purpose of improving techniques and demonstrat-~~
5 ~~ing the effectiveness of specialized methods in meeting~~
6 ~~the manpower, employment, and training problems of~~
7 ~~worker groups such as the long-term unemployed, dis-~~
8 ~~advantaged youth, displaced older workers, the handi-~~
9 ~~capped, members of minority groups, and other similar~~
10 ~~groups. In carrying out this subsection the Secretary~~
11 ~~of Labor shall, where appropriate, consult with the Sec-~~
12 ~~retaries of Health, Education, and Welfare, and Com-~~
13 ~~merce, and the Director of the Office of Economic~~
14 ~~Opportunity. Where programs under this section re-~~
15 ~~quire institutional training, appropriate arrangements for~~
16 ~~such training shall be agreed to by the Secretary of~~
17 ~~Labor and the Secretary of Health, Education, and~~
18 ~~Welfare. He shall also seek the advice of consultants~~
19 ~~with respect to the standards governing the adequacy~~
20 ~~and design of proposals, the ability of applicants, and~~
21 ~~the priority of projects in meeting the objectives of the~~
22 ~~Act;~~
23 ~~"(7) stimulate and assist, in cooperation with inter-~~
24 ~~ested agencies both public and private, job development~~
25 ~~programs, through on-the-job training and other suitable~~

1 ~~methods, that will serve to expand employment by the~~
2 ~~filling of those service and related needs which are not~~
3 ~~now being met because of lack of trained workers or~~
4 ~~other reasons affecting employment or opportunities for~~
5 ~~employment.''~~
6 ~~SEC. 3. Sections 103 and 104 are renumbered 105 and~~
7 ~~106 and new sections 103 and 104 are added to read as~~
8 ~~follows:~~
9 ~~''LABOR MOBILITY DEMONSTRATION PROJECTS~~
10 ~~''SEC. 103. (a) During the period ending June 30,~~
11 ~~1967, the Secretary of Labor shall develop and carry out,~~
12 ~~in a limited number of geographical areas, pilot projects~~
13 ~~designed to assess or demonstrate the effectiveness in reduc-~~
14 ~~ing unemployment of programs to increase the mobility of~~
15 ~~unemployed workers by providing assistance to meet their~~
16 ~~relocation expenses. In carrying out such projects the Sec-~~
17 ~~retary may provide such assistance, in the form of grants or~~
18 ~~loans, or both, only to involuntarily unemployed individuals~~
19 ~~who cannot reasonably be expected to secure full-time em-~~
20 ~~ployment in the community in which they reside, have bona~~
21 ~~fide offers of employment (other than temporary or seasonal~~
22 ~~employment), and are deemed qualified to perform the work~~
23 ~~for which they are being employed.~~
24 ~~''(b) Loans or grants provided under this section~~
25 ~~shall be subject to such terms and conditions as the Secretary~~

1 shall prescribe, with loans subject to the following limita-
2 tions:
3 "(1) there is reasonable assurance of repayment of
4 the loan;
5 "(2) the credit is not otherwise available on rea-
6 sonable terms from private sources or other Federal,
7 State, or local programs;
8 "(3) the amount of the loan, together with other
9 funds available, is adequate to assure achievement of the
10 purposes for which the loan is made;
11 "(4) the loan bears interest at a rate not less than
12 (A) a rate determined by the Secretary of the Treas-
13 ury, taking into consideration the average market yield
14 on outstanding Treasury obligations of comparable ma-
15 turity, plus (B) such additional charge, if any, toward
16 covering other costs of the program as the Secretary
17 may determine to be consistent with its purposes; and
18 "(5) the loan is repayable within not more than
19 ten years.
20 "(c) Of the funds appropriated for a fiscal year to carry
21 out this Act, not more than $5,000,000 may be used for
22 the purposes of this section.
23 "TRAINEE BONDING DEMONSTRATION PROJECTS
24 "SEC. 104. During the period ending June 30, 1967,
25 the Secretary shall develop and carry out experimental and

~~demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."~~

~~SEC. 4. Section 202(i) of the Act is amended by striking the words "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.", and by changing the comma after the word "Act" to a period.~~

~~SEC. 5. (a) Section 203(a) of the Act is amended as follows:~~

~~(1) Amend the second sentence thereof to read as~~

follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allow-

1 ~~ance, including payments for dependents, provided for by the~~
2 ~~preceding paragraph, a supplemental training allowance may~~
3 ~~be paid to a person eligible for a training allowance under~~
4 ~~this Act. The supplemental training allowance shall not ex-~~
5 ~~ceed the difference between his unemployment compensation~~
6 ~~and the training allowance provided by the preceding para-~~
7 ~~graph.";~~

8 ~~(3) Insert the words "under the training program"~~
9 ~~after "compensated hours per week" in the third para-~~
10 ~~graph of such subsection;~~

11 ~~(4) In lieu of the fourth paragraph of such subsec-~~
12 ~~tion insert the following:~~

13 ~~"The training allowance of a person engaged in training~~
14 ~~under section 204 or 231 shall not be reduced on account~~
15 ~~of employment (other than employment under an on-the-job~~
16 ~~training program under section 204) which does not exceed~~
17 ~~twenty hours per week, but shall be reduced in an amount~~
18 ~~equal to his full earnings for hours worked in excess of twenty~~
19 ~~hours per week."~~

20 ~~(b) Section 203(b) of the Act is amended by inserting~~
21 ~~a comma after the word "transportation" where it first occurs,~~
22 ~~striking out the language after that word and before the word~~
23 ~~"*Provided*" and inserting the following in lieu thereof: "and~~
24 ~~when such training is provided in facilities which are not~~

~~within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".~~

~~(c) Section 203(c) of the Act is amended as follows:~~

~~(1) Strike the words "not less than" and insert "at least" in lieu thereof;~~

~~(2) Insert a colon after the words "gainful employment", strike everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: "*Provided,* That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.";~~

~~(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation).".~~

~~(d) Section 203(d) is amended to read as follows:~~

~~"For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances under this section, or as reimbursement for unemploy-~~

1 ~~ment compensation under subsection (h), shall be paid in~~
2 ~~accordance with the provisions of section 241."~~
3 ~~(c) Section 203 (h) (2) of the Act is amended by strik-~~
4 ~~ing everything in the first sentence after the term "1965"~~
5 ~~and inserting in lieu thereof "and for 90 per centum of the~~
6 ~~amount of such benefits paid thereafter."~~
7 ~~SEC. 6. Section 208 is repealed.~~
8 ~~SEC. 7. Section 231 of the Act is amended by striking~~
9 ~~the third sentence and inserting the following in lieu thereof:~~
10 ~~"For the fiscal year ending June 30, 1965, Federal pay-~~
11 ~~ments under this part shall be 100 per centum of the cost of~~
12 ~~carrying out the agreement, and for the fiscal year ending~~
13 ~~June 30, 1966, and for each fiscal year thereafter, Federal~~
14 ~~payments under this part shall be made in accordance with~~
15 ~~the provisions of section 241."~~
16 ~~SEC. 8. Title II of the Act is amended by adding part~~
17 ~~C to the end thereof to read as follows:~~
18 ~~"PART C—FEDERAL PAYMENTS FOR TRAINING AND~~
19 ~~TRAINING ALLOWANCES~~
20 ~~"SEC. 241. During the fiscal year ending June 30, 1966,~~
21 ~~and for each fiscal year thereafter, Federal payments for~~
22 ~~training allowances and for reimbursements for unemploy-~~
23 ~~ment compensation under section 203 and for training pro-~~
24 ~~grams under section 231 shall be limited to 90 per centum~~

1 of the total of all such costs. Expenditures from non-Federal
2 sources may be made in cash or kind, fairly evaluated, in-
3 cluding but not limited to plant, equipment, and services."
4 SEC. 9. Title II of the Act is amended by adding part D
5 to the end thereof to read as follows:
6 "PART D—REDEVELOPMENT AREAS
7 "SEC. 251. (a) Notwithstanding any limitation in the
8 other provisions of this Act, the Secretaries of Labor and of
9 Health, Education, and Welfare, in accordance with their
10 respective responsibilities under parts A and B of this title,
11 are authorized to provide a supplementary program of train-
12 ing and training allowances, in consultation with the Secre-
13 tary of Commerce, for unemployed and underemployed
14 persons residing in areas designated as redevelopment areas
15 under the Area Redevelopment Act. Such program shall,
16 insofar as practicable, be carried out by the Secretaries of
17 Labor and of Health, Education, and Welfare in accordance
18 with the provisions otherwise applicable to programs under
19 this Act and with their respective functions under those
20 provisions, except that—
21 "(1) the Secretary of Labor, in consultation with
22 the Secretary of Commerce, shall determine the needs
23 and the eligibility of persons for training under this sec-
24 tion;
25 "(2) the Secretaries of Labor and of Health, Edu-

1 ~~cation, and Welfare shall, each with respect to his func-~~
2 ~~tions under this section, prescribe jointly with the Secre-~~
3 ~~tary of Commerce such rules and regulations as may be~~
4 ~~necessary to carry out the purposes of this section; and~~
5 ~~"(3) no funds available under this section shall be~~
6 ~~generally allocated to any State pursuant to any agree-~~
7 ~~ment entered into under this Act, nor shall any State or~~
8 ~~local matching funds be generally required, nor shall any~~
9 ~~apportionment of funds be made among the several~~
10 ~~States, except as the Secretary of Labor or the Secre-~~
11 ~~tary of Health, Education, and Welfare, as the case may~~
12 ~~be, jointly with the Secretary of Commerce, may deem~~
13 ~~appropriate, giving adequate consideration to the rela-~~
14 ~~tive needs of the eligible areas.~~
15 ~~"(b) There are hereby authorized to be appropriated for~~
16 ~~each fiscal year such amounts as may be necessary to carry~~
17 ~~out this section.~~
18 ~~"(c) The expiration or termination of any other part~~
19 ~~of this Act shall not terminate the authority conferred by~~
20 ~~this section unless an Act of Congress explicitly so provides."~~
21 ~~SEC. 10. Section 302 of the Act is amended by striking~~
22 ~~the word "and" following "the Smith-Hughes Vocational~~
23 ~~Education Act," inserting a comma in lieu thereof, and in-~~
24 ~~serting "and the Vocational Education Act of 1963," fol-~~
25 ~~lowing "the Vocational Education Act of 1946."~~

1 ~~SEC. 11. Section 304 is amended to read as follows:~~

2 ~~"SEC. 304. For the purpose of carrying out this Act~~

3 ~~there are hereby authorized to be appropriated for the fiscal~~

4 ~~year ending June 30, 1966, and for each fiscal year there-~~

5 ~~after such amounts as may be necessary."~~

6 ~~SEC. 12. The following subsection is added to section~~

7 ~~305 of the Act to read as follows:~~

8 ~~"(c) The costs of all training programs approved in~~

9 ~~any fiscal year, including the total cost of training allowances~~

10 ~~for such programs, may be paid from funds appropriated for~~

11 ~~such purposes for that fiscal year; and the amount of the~~

12 ~~Federal payment shall be computed on the basis of the per~~

13 ~~centum requirement in effect at the time such programs are~~

14 ~~approved: *Provided,* That funds appropriated for the fiscal~~

15 ~~year ending June 30, 1966, may be expended for training~~

16 ~~programs approved under this Act prior to July 1, 1965, and~~

17 ~~expenditures for such purposes shall be subject to the match-~~

18 ~~ing requirements in effect at the time such programs were~~

19 ~~approved."~~

20 ~~SEC. 13. Sections 309(a) and 309(b) are both~~

21 ~~amended by striking "Prior to March 1, 1963, and again~~

22 ~~prior to April 1, 1964, April 1, 1965, and April 1, 1966"~~

23 ~~and inserting in lieu thereof: "Prior to April 1 in each~~

24 ~~year."~~

1 ~~SEC. 14. Title III is amended by repealing section 310.~~
2 *That this Act may be cited as the "Manpower Act of 1965".*
3 *SEC. 2. (a) Section 102(5) of the Manpower Develop-*
4 *ment and Training Act of 1962, as amended (hereinafter*
5 *referred to as the "Act"), is amended by adding a comma*
6 *after the word "arrange" and inserting "through grants or*
7 *contracts," immediately following the comma.*
8 *(b) Section 102 of the Act is further amended by*
9 *striking out "and" at the end of paragraph (4), by striking*
10 *out the period at the end of paragraph (5) and inserting*
11 *in lieu of such period "; and", and by adding at the end of*
12 *such section the following new paragraph:*
13 *"(6) establish a program of experimental, de-*
14 *velopmental, demonstration, and pilot projects, through*
15 *grants to or contracts with public or private non-*
16 *profit organizations, or through contracts with other*
17 *private organizations, for the purpose of improving*
18 *techniques and demonstrating the effectiveness of spe-*
19 *cialized methods in meeting the manpower, employ-*
20 *ment, and training problems of worker groups such as*
21 *the long-term unemployed, disadvantaged youth, displaced*
22 *older workers, the handicapped, members of minority*
23 *groups, and other similar groups. In carrying out this*

1 *subsection the Secretary of Labor shall, where appropri-*
2 *ate, consult with the Secretaries of Health, Education,*
3 *and Welfare, and Commerce, and the Director of the*
4 *Office of Economic Opportunity. Where programs un-*
5 *der this paragraph require institutional training, appro-*
6 *priate arrangements for such training shall be agreed to*
7 *by the Secretary of Labor and the Secretary of Health,*
8 *Education, and Welfare. He shall also seek the advice*
9 *of consultants with respect to the standards governing the*
10 *adequacy and design of proposals, the ability of appli-*
11 *cants, and the priority of projects in meeting the objectives*
12 *of this Act."*
13 *SEC. 3. (a) Title I of the Act is amended by renumber-*
14 *ing sections 103 and 104 as sections 106 and 107, respec-*
15 *tively, and by inserting immediately after section 102 the fol-*
16 *lowing new sections:*
17 *"JOB DEVELOPMENT PROGRAMS*
18 *"SEC. 103. The Secretary of Labor shall stimulate and*
19 *assist, in cooperation with interested agencies both public and*
20 *private, job development programs, through on-the-job train-*
21 *ing and other suitable methods, that will serve to expand*
22 *employment by the filling of those service and related needs*
23 *which are not now being met because of lack of trained work-*
24 *ers or other reasons affecting employment or opportunities for*
25 *employment.*

1 "*LABOR MOBILITY DEMONSTRATION PROJECTS*

2 "*SEC. 104. (a) During the period ending June 30,*
3 *1967, the Secretary of Labor shall develop and carry out, in*
4 *a limited number of geographical areas, pilot projects de-*
5 *signed to assess or demonstrate the effectiveness in reducing*
6 *unemployment of programs to increase the mobility of unem-*
7 *ployed workers by providing assistance to meet their reloca-*
8 *tion expenses. In carrying out such projects the Secretary*
9 *may provide such assistance, in the form of grants or loans,*
10 *or both, only to involuntarily unemployed individuals who*
11 *cannot reasonably be expected to secure full-time employment*
12 *in the community in which they reside, have bona fide offers*
13 *of employment (other than temporary or seasonal employ-*
14 *ment), and are deemed qualified to perform the work for*
15 *which they are being employed.*

16 "*(b) Loans or grants provided under this section shall*
17 *be subject to such terms and conditions as the Secretary shall*
18 *prescribe, with loans subject to the following limitations:*

19 "*(1) there is reasonable assurance of repayment of*
20 *the loan;*

21 "*(2) the credit is not otherwise available on reason-*
22 *able terms from private sources or other Federal, State,*
23 *or local programs;*

24 "*(3) the amount of the loan, together with other*

funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and

1 *suitable for the employment in question, but to whom em-*
2 *ployment is or may be denied for reasons other than ability*
3 *to perform, including difficulty in securing bonds for indem-*
4 *nifying their employers against loss from the infidelity, dis-*
5 *honesty, or default of such persons. In carrying out these*
6 *projects the Secretary may make payments to or contracts*
7 *with employers or institutions authorized to indemnify em-*
8 *ployers against such losses. Of the funds appropriated for*
9 *fiscal years ending June 30, 1966, and June 30, 1967, not*
10 *more than $200,000 and $300,000, respectively, may be*
11 *used for the purpose of carrying out this section."*
12 *(b) Section 102(2) of the Act is amended by striking*
13 *out "104" and inserting in lieu thereof "107".*
14 *Sec. 4. Section 202(i) of the Act is amended by strik-*
15 *ing out ", and such persons shall be eligible for training*
16 *allowances for not to exceed an additional twenty weeks".*
17 *Sec. 5. (a) Section 203(a) of the Act is amended as*
18 *follows:*
19 *(1) Amend the second sentence thereof to read as follows:*
20 *"Such payments shall be made for a period not exceeding*
21 *one hundred and four weeks, and the basic amount of any*
22 *such payment in any week for persons undergoing training,*
23 *including uncompensated employer-provided training, shall*
24 *not exceed $10 more than the amount of the average weekly*
25 *gross unemployment compensation payment (including allow-*

1 *ances for dependents) for a week of total unemployment in*
2 *the State making such payments during the most recent four-*
3 *calendar-quarter period for which such data are available:*
4 *Provided, That the basic amount of such payments may be*
5 *increased by $5 a week for each dependent over two up to*
6 *a maximum of four additional dependents: Provided further,*
7 *That in any week an individual who, but for his training,*
8 *would be entitled to unemployment compensation in excess of*
9 *his total allowance, including payments for dependents, shall*
10 *receive an allowance increased by the amount of such excess.";*
11 *(2) Amend the second paragraph thereof to read as*
12 *follows:*
13 *"With respect to any week for which a person receives*
14 *unemployment compensation under title XV of the Social*
15 *Security Act or any other Federal or State unemployment*
16 *compensation law which is less than the total training allow-*
17 *ance, including payments for dependents, provided for by the*
18 *preceding paragraph, a supplemental training allowance may*
19 *be paid to a person eligible for a training allowance under*
20 *this Act. The supplemental training allowance shall not*
21 *exceed the difference between his unemployment compen-*
22 *sation and the training allowance provided by the preceding*
23 *paragraph.";*
24 *(3) Insert the words "under the training program"*

1 *after "compensated hours per week" in the third paragraph*
2 *of such subsection;*
3 *(4) In lieu of the fourth paragraph of such subsection*
4 *insert the following:*
5 *"The training allowance of a person engaged in training*
6 *under section 204 or 231 shall not be reduced on account*
7 *of employment (other than employment under an on-the-job*
8 *training program under section 204) which does not exceed*
9 *twenty hours per week, but shall be reduced in an amount*
10 *equal to his full earnings for hours worked (other than in*
11 *employment under such an on-the-job training program) in*
12 *excess of twenty hours per week."*
13 *(b)(1) Section 203(b) of the Act is amended by striking*
14 *out the matter following "to defray transportation" and*
15 *preceding "Provided", and by inserting in lieu of such*
16 *matter the following: "expenses, and when such training is*
17 *provided in facilities which are not within commuting dis-*
18 *tance of the trainee's regular place of residence, subsistence*
19 *expenses for separate maintenance of the trainee:".*
20 *(2) Such subsection is further amended by inserting*
21 *immediately before the period at the end thereof the following:*
22 *", except in the case of local transportation where he may*
23 *authorize reimbursement for the trainee's travel by the most*
24 *economical mode of public transportation".*

1 *(c) Section 203(c) of the Act is amended as follows:*

2 *(1) Strike the words "not less than" in the first sentence*

3 *and insert "at least" in lieu thereof;*

4 *(2) Strike out everything in the first sentence after the*

5 *words "gainful employment", and insert the following in lieu*

6 *thereof: ": Provided, That they are not members of a family*

7 *or a household in which the head of the family or the head*

8 *of the household as defined in the Internal Revenue Code of*

9 *1954 is employed.";*

10 *(3) Amend the last sentence to read as follows: "The*

11 *number of youths under the age of twenty-two who are re-*

12 *ceiving training allowances (or who would be entitled thereto*

13 *but for the receipt of unemployment compensation) shall, ex-*

14 *cept for such adjustments as may be necessary for effective*

15 *management of programs under this section, not exceed 25*

16 *per centum of all persons receiving such allowances (or who*

17 *would be entitled thereto but for the receipt of unemployment*

18 *compensation)."*

19 *(d) Subsection (d) of section 203 of the Act is repealed*

20 *and subsections (e), (f), (g), (h), (i), and (j) of such*

21 *section are redesignated as (d), (e), (f), (g), (h), and (i),*

22 *respectively.*

23 *(e) The first sentence of section 203(g)(2) of the Act*

24 *(as redesignated by section 5(d) of this Act) is amended by*

1 *striking out everything that follows "all of such benefits paid"*
2 *and inserting in lieu thereof a period.*
3 *SEC. 6. Section 208 of the Act is repealed.*
4 *SEC. 7. Section 231 of the Act is amended by striking*
5 *the third sentence and inserting in lieu thereof the following:*
6 *"The State agency shall be paid not more than 90 per*
7 *centum of the cost to the State of carrying out the agree-*
8 *ment, unless the Secretary of Health, Education, and Wel-*
9 *fare determines that payments in excess of 90 per centum are*
10 *necessary because such payments with respect to private in-*
11 *stitutions are required to give full effect to the purposes of the*
12 *Act: Provided, That for the period ending June 30, 1966, the*
13 *State agency shall be paid 100 per centum of the cost to the*
14 *State of carrying out the agreement. Non-Federal contribu-*
15 *tions may be in cash or kind, fairly evaluated, including but*
16 *not limited to plant, equipment, and services."*
17 *SEC. 8. Title II of the Act is amended by adding part*
18 *C to the end thereof to read as follows:*
19 *"PART C—REDEVELOPMENT AREAS*
20 *"SEC. 241. (a) The Secretaries of Labor and of Health,*
21 *Education, and Welfare, in accordance with their respective*
22 *responsibilities under parts A and B of this title, are author-*
23 *ized to provide a supplementary program of training and*
24 *training allowances, in consultation with the Secretary of*

1 *Commerce, for unemployed and underemployed persons re-*
2 *siding in areas designated as redevelopment areas by the*
3 *Secretary of Commerce under the Area Redevelopment Act*
4 *or any subsequent Act authorizing such designation. Such*
5 *program shall be carried out by the Secretaries of Labor and*
6 *of Health, Education, and Welfare in accordance with the*
7 *provisions otherwise applicable to programs under this Act*
8 *and with their respective functions under those provisions,*
9 *except that—*

10 *"(1) the Secretary of Labor, in consultation with*
11 *the Secretary of Commerce, shall determine the occupa-*
12 *tional training or retraining needs of unemployed or un-*
13 *deremployed individuals residing in redevelopment areas;*

14 *"(2) all unemployed or underemployed individuals*
15 *residing in redevelopment areas who can reasonably be*
16 *expected to obtain employment as a result of such train-*
17 *ing may be referred and selected for training and shall*
18 *be eligible for training allowances under this section:*
19 *Provided, That the amount and duration of training*
20 *allowances under this section shall in no event exceed the*
21 *amount and duration of training allowances provided*
22 *under section 203(a) of this Act;*

23 *"(3) the Secretaries of Labor and of Health, Edu-*
24 *cation, and Welfare shall, each with respect to his func-*
25 *tions under this section, prescribe jointly with the Secre-*

1 *tary of Commerce such rules and regulations as may be*
2 *necessary to carry out the purposes of this section; and*
3 *"(4) section 301 shall not apply with respect to*
4 *funds available under this section.*
5 *"(b) There are hereby authorized to be appropriated for*
6 *each fiscal year such amounts as may be necessary to carry*
7 *out this section."*
8 *(b) Sections 16 and 17 of the Area Redevelopment Act*
9 *(42 U.S.C. 2513 and 2514) are repealed.*
10 *(c) This section and the amendments made by it shall*
11 *take effect on July 1, 1965.*
12 *Sec. 9. Section 302 of the Act is amended by strik-*
13 *ing the word "and" following "the Smith-Hughes Vocational*
14 *Education Act" inserting a comma in lieu thereof, and in-*
15 *serting "and the Vocational Education Act of 1963," fol-*
16 *lowing "the Vocational Education Act of 1946,".*
17 *Sec. 10. Section 304 of the Act is amended to read as*
18 *follows:*
19 *"Sec. 304. For the purpose of carrying out this Act*
20 *there are hereby authorized to be appropriated for the fiscal*
21 *year ending June 30, 1966, and for each of the two succeed-*
22 *ing fiscal years such amounts as may be necessary."*
23 *Sec. 11. The following subsection is added to section*
24 *305 of the Act to read as follows:*
25 *"(e) The costs of all training programs approved in*

1 *any fiscal year, including the total cost of training allowances*
2 *for such programs, may be paid from funds appropriated for*
3 *such purposes for that fiscal year; and the amount of the*
4 *Federal payment shall be computed on the basis of the per*
5 *centum requirement in effect at the time such programs are*
6 *approved: Provided, That funds appropriated for the fiscal*
7 *year ending June 30, 1966, may be expended for training*
8 *programs approved under this Act prior to July 1, 1965, and*
9 *expenditures for such purposes shall be subject to the match-*
10 *ing requirements in effect at the time such programs were*
11 *approved."*

12 *Sec. 12. Sections 309(a) and 309(b) of the Act are*
13 *both amended by striking "Prior to March 1, 1963, and*
14 *again prior to April 1, 1964, April 1, 1965, and April 1,*
15 *1966" and inserting in lieu thereof: "Prior to April 1 in*
16 *each year for which an appropriation is authorized by*
17 *section 304".*

18 *Sec. 13. Section 310 of the Act is amended by striking*
19 *out "1966" wherever it appears and inserting in lieu thereof*
20 *"1968".*

Union Calendar No. 64

89TH CONGRESS
1ST SESSION

H. R. 4257

[Report No. 170]

A BILL

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. HOLLAND

FEBRUARY 3, 1965

Referred to the Committee on Education and Labor

MARCH 15, 1965

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

H. R. 4757

A BILL

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued March 17, 1965
For actions of March 16, 1965
89th-1st, No. 48

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HIGHLIGHTS: House Rules Committee cleared acreage-poundage tobacco bill. Senate passed bill to extend Manpower Development and Training Act. Sen. Talmadge urged adoption of direct payments farm program. Sens. Fulbright, Simpson, and Tower criticized proposed user charges on SCS technical assistance. Sen. Pearson introduced and discussed bill to restrict CCC sales of wheat. Sen. Magnuson introduced and discussed bill to authorize reimbursements and transfer of funds between appropriations. Reps. Redlin and Purcell introduced and discussed wheat bills.

SENATE

1. MANPOWER. By a vote of 76 to 8, passed with amendments S. 974, to extend the Manpower Development and Training Act for four additional years, until June 30, 1970, to authorize appropriations of $454 million for fiscal year 1966, and to transfer the training provisions of the Area Redevelopment Act to the Manpower Development and Training Act (pp. 5056,5058-82). By a note of 35 to 49, rejected an amendment by Sen. Prouty which would have extended the program for only two years (pp. 5073-80).

2. WATER RESEARCH. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 22, to promote a more adequate national program of water research. p. D193

3. FARM PROGRAM. Sen. Talmadge urged adoption of a program of direct compensatory payments to farmers as a means of reducing surplus supplies of commodities, and inserted several items in support of his position. pp. 5024-6

4. USER CHARGES; SOIL CONSERVATION. Sens. Fulbright and Simpson expressed opposition to the proposed user charge on SCS technical assistance to farmers and ranchers, and Sen. Simpson inserted a speech by Sen. Tower critical of the proposal. pp. 5023-4, 5032-4
   Received resolutions of the Idaho and Mo. Legislatures opposing the proposed SCS user charge. pp. 5006, 5006-7

5. ELECTRIFICATION. Sen. Metcalf inserted a speech by Rep. Moss before the NRECA annual meeting in Miami on "the importance of protecting consumers through the techniques of governmental regulation and the availability of a competitive yardstick for measuring the reasonableness of electric rates and services." pp. 5046-8
   Received from the Federal Power Commission copies of publications, "Typical Electric Bill, 1964" and "Hydroelectric Plant Construction Cost and Annual Production Expenses, 1962-63." pp. 5005-6

6. SUGAR. Received a N. Dak. Legislature resolution favoring enactment of legislation to extend the Sugar Act to Dec. 31, 1970, to increase domestic sugar quotas, and to permit the domestic sugar industry to market the excess of sugar from the increased production of 1963-64. pp. 5008, 5011

7. FARM LABOR. Sen. Hruska disputed the "adamant insistance" of the Secretary of Labor that there is an adequate supply of domestic farm labor and inserted several items on the situation. pp. 5028-30

8. MARKETING. Sen. Neuberger spoke in support of proposed truth-in-packaging legislation and inserted an article discussing food industry opposition to such legislation. pp. 5048-50

9. FOOD; CONSERVATION. Sen. Boggs inserted a speech by Sen. Dirksen, "The State of the Union," in which he discusses various subjects, including world food problems, conservation of the soil, and the public debt. pp. 5001-5

10. TOBACCO. Received a Wash. Legislature resolution supporting enactment of legislation to require that cigarettes be labeled as hazardous to health. pp. 5007-8

11. BALANCE OF PAYMENTS. Sen. Robertson inserted a commentary by the chief economist of the Senate Banking and Currency Committee on the balance of payments situation. pp. 5027-8

12. FOREIGN TRADE. Sen. Lausche inserted a paper by Dr. Lev E. Dobriansky, professor of economics of Georgetown Univ., "Five Perspectives on East-West Trade." pp. 5030-2

13. FOREST RESEARCH. Sen. Byrd, W. Va., commended the establishment of the Forest Service's Forest Products Marketing Laboratory in Princeton, W. Va. pp. 5054-6

on the forest resources of the Appalachian region and adjacent areas.

2. To determine and test the economic and practical feasibility of adopting improved methods for increasing the efficiency of timber harvesting, transporting, processing, and marketing and leading to improved market acceptance for wood products.

3. To evaluate the alternative opportunities of developing new or expanded markets for Appalachian timber products.

4. To determine the need for specific improvements or changes in the products to better satsify market needs and to arrange for the development of these improvements and changes as necessary.

5. To isolate and analyze specific market problems as they occur in the wood-products industry and to develop measures as needed for their solution.

6. To investigate different measures of improving the financial, organizational, and operational structure of wood-products industries so that they can become more competitive with other industries.

7. To develop and maintain a comprehensive knowledge of the market and production structure for the principal forest-product industries for those who might benefit from this information.

8. To develop and contribute knowledge about the theory and methodology of forest-products-marketing research.

9. To compile, assemble, and provide technical advice and information needed by other researchers, technicians, entrepreneurs, and industrial promoters for the establishment or operation of forest-product industries.

10. To provide technical assistance to others in the dissemination of information leading to advances in the technology of preparing and marketing forest products.

SCOPE OF RESEARCH PROGRAM

The Princeton Laboratory is charged with the primary responsibility for all Federal marketing research in the Appalachian highland region of the Eastern United States.

Although centered in West Virginia, most of the research to be conducted at this location will apply throughout the Appalachian highlands and adjacent areas, and to some extent in all the hardwood-producing areas of the Eastern United States. Some timber-products-marketing problems are primarily local, but in most cases hardwood timber products in one State are distributed and sold throughout a number of States, some far from the producing areas. Thus most marketing-research projects must necessarily be regional and interstate in character.

Although primarily concerned with Appalachian hardwoods, the Princeton Laboratory will also be concerned with improving markets for all eastern hardwoods and softwoods and all other native woods as the need arises.

OPERATION OF THE RESEARCH PROGRAM

The Princeton research program is divided into four separate but closely related fields of investigation. One project will work toward improving markets for primary forest products such as saw logs, pulpwood, veneer bolts, and poles. Another project will be concerned with markets for primary manufacturers, including lumber, veneer, and composition boards. A third project will concentrate on improving markets for secondary manufactured wood products such as flooring, furniture, millwork, and pallets. The fourth line of research will be devoted to improving markets for wood in construction of all types—residential, industrial, farm, public, and other nonresidential construction uses.

Each of these lines of research at first involves studies in market analyses (fact-finding studies), followed by more complex studies of consumer preferences and the possible deficiencies of wood products or the ways in which wood products are marketing that limit their marketability. In general, the selection of studies will be based on market problems of specific wood products or groups of products.

Research covering each problem area in the subproject—or a product or group of products within the problem area—will be carried out in four distinct steps or phases.

The first step will be a problem analysis encompassing the collection and analysis of information about the structure of the markets and production facilities for the product or group of products under study. This initial step will delineate the market problems of size, importance, and location, and will provide information about the trend in future markets. This is the "what" approach.

The second step will involve studies to determine and evaluate the factors that are responsible for the market losses or are restricting the markets for the product or group of products under investigation. Information will be developed to reveal the specific reasons why the wood products under investigation are not fully meeting or satisfying the consumers' needs or preferences; or what characteristic of the product, its distribution system, or its application needs improvement to better satisfy market needs. In short, this phase of the research is aimed to determine what needs to be done to improve the market demand for the products in question. This is the "why" approach. Priorities for future research will be established at this point.

The third step—and this is where the payoff begins—is the investigation of measures for correcting the deficiencies that limit marketability and use. This may involve studies aimed at improving or modifying the product, changing merchandising and distribution methods, improving knowledge of consumers' needs and preferences, improving manufacturing processes to reduce product cost and market price, or improving utilization of the available wood materials. And, in some instances, a need may be apparent for developing a new or essentially new product to fill the market needs. This is the stage of hypothesis.

The fourth and final step in the research operation involves the application and field testing of the measures proposed for the solution of the market problems. This can be accomplished through the dissemination of information in publications and other written media, explanations before public and industry agencies and groups, demonstrations at the methods testing plant, or by pilot-test operations at the plants of cooperators.

In general, research efforts will be concentrated in sufficient force on each of the marketing problems selected for study to have an appreciable impact on the market problems. This aim is to conduct research in depth on selected problems in preference to the shotgun approach in which research efforts are scattered over the entire range of program responsibility.

PILOT-PLANT TESTING

Market investigations at the Princeton Laboratory will frequently point out the need for further studies involving the conduct of technological research in wood products. Experimentation will be needed to test the economics and practical feasibility of new processes, methods, or equipment, or the quality and utility of new or improved products. The collection of facts leads to analyses; the analytical studies lead in turn to hypotheses that should be investigated by physical tests for product improvements.

These prospective improvements may be pilot-tested at the Laboratory's methods testing plant, or in industrial plants, or at other Federal, State, or private research installations. Whenever possible, these technological operations will be correlated with the work and programs of other agencies.

In general, physical research operations at the Laboratory's methods testing plant and experimental woodyard will be limited to problems, or segments of problems, that other government or private groups are not covering or are unwilling or unable to cover in sufficient detail for the requirements of the Laboratory program. These pilot tests will be limited to investigations of the economic and practical feasibility of improved methods for manufacturing, using, or marketing wood products.

The Princeton Laboratory will not conduct exploratory or basic research in forest product technology at the methods testing plant. Nor will research be conducted toward the development of new wood products, although new or improved products and processes may be pilot tested to determine the economic and physical practicality of their manufacture.

RESEARCH IN PRIMARY FOREST PRODUCTS

Studies now underway by the Laboratory in the field of primary forest products include an analysis of the organization, operation, and accomplishments of private landowners, forest product marketing, and service organizations. Another study is determining the cost and practicality of hardwood log grading as a marketing tool for forest landowners. One other short-term investigation is evaluating the supply, price, and quality factors as they affect the opportunities for hardwood veneer and plywood manufacture in West Virginia.

RESEARCH IN PRIMARY WOOD-PRODUCT MANUFACTURES

Work now underway in the field of primary wood-product manufactures includes two studies that are attempting to improve lumber markets through better seasoning practices. One involves the determination and evaluation of commercial air-drying practices as they affect the quality, value, utility, and marketability of hardwood lumber; the other is an economic analysis of forced-air drying processes.

Other studies now underway in the field of primary wood-product manufacturers are aimed at improving market potentials through better conversion practices. Examples are: analysis of the trends in the hardwood log recovery values (lumber prices) in the Appalachian area; an economic evaluation of factory grade 3 hardwood saw logs as raw material for Appalachian sawmills; a determination of the changes in logging and sawmilling costs in the past 10 years and their effect on these operations; and an economic analysis of the marketability and value of alternative products cut from low-grade portions of saw logs.

Another field of investigation is represented by a study involving the determination of preferenecs and specifications for hardwood lumber by the furniture, pallet, and flooring industries. Recent difficulties of the railroad industry in obtaining an adequate supply of hardwood railway ties has prompted the laboratory to begin investigations aimed at the discovery and elimination, if possible, of this market problem.

RESEARCH IN SECONDARY WOOD-PRODUCT MANUFACTURES

Research efforts in the field of secondary wood-product manufactures have been concentrated so far on studies of the markets and associated problems for hardwood flooring and hardwood pallets. Studies directed at improving the flooring markets began with a problem analysis. On the basis of this analysis, one study is now underway to determine the factors involved in the use of hardwood flooring in slab-type construction. The great increase in on-slab construction of housing was found to be one of the principal factors that limited the market for hardwood flooring. Another study involves investigating the comparative difficulty and cost of maintenance of hardwood and other

competing flooring materials. A third study will be concerned with the relative difficulty and cost of maintaining wooden floors and other flooring materials in school buildings.

A problem analysis has also been completed for the wooden pallet industry. On the basis of the analysis, plans for investigating market problems or uncovering market opportunities are being prepared. One study deals with the determination of market satisfaction and value to the user of different types of wooden pallets through service tests. Other studies in the planning stage will be concerned with determining and evaluating specific opportunities to increase the use of wooden pallets in different segments of the food-handling industry and comparing handling systems using wooden pallets with those using nonwood pallets or with those systems that do not require pallets of any type.

RESEARCH IN WOOD FOR CONSTRUCTION

Under preparation at the Laboratory, in the field of marketing wood for construction uses, is one study involving the evaluation of factors affecting the selection and use of wood materials for different components of school construction. Another study covering the opportunities for increasing the use of wooden guardrail posts in West Virginia highway construction has been completed and a report is being prepared for publication.

STAFF AND FACILITIES

The Princeton program calls for a total staff of 25 scientists and an equal number of technicians, clerks, and other supporting personnel. Approximately one-half of the professional and supporting staff has been recruited. The present scientific group includes forest economists, forest-product specialists, research foresters, and one agricultural economist.

The Laboratory is located on 96 acres of land donated to the Federal Government by the people of Mercer County, W. Va. The land contains two tracts, one of 32 acres and one of 64 acres. The headquarters buildings occupy the smaller tract, along with a 20-acre exhibit forest. A second large building, the methods testing plant, is located on the larger tract; it will be the central facility in the Laboratory's experimental woodyard.

The headquarters building, which contains 13,000 square feet of air-conditioned floorspace, was completed and occupied in the fall of 1963. The total cost was approximately $450,000 for design, construction, and development of the site and utilities. A nearby garage-shop building includes storage space for vehicles and a carpenter and general repair shop used for maintenance work and the construction of exhibits for the more than 40 display cases in the headquarters building and exhibit forest.

The nearly completed methods testing plant is approximately the same size as the headquarters building. It includes a large testroom with 10,000 square feet of unobstructed floorspace spanned by 64-foot-long wooden trusses. The cost for construction, when all site and utility developments are completed, will run slightly over $200,000. Except for the concrete foundation and floors, this building is constructed almost exclusively of wood. The plant has been designed so that it can accommodate nearly all types of pilot-plant work in the wood-products field.

Mr. McNAMARA. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, business is closed.

MANPOWER ACT OF 1965

Mr. McNAMARA. Mr. President, I ask unanimous consent that the Senate resume the consideration of Calendar No. 114, S. 974.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which is S. 974.

The Senate resumed the consideration of the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. GORE in the chair). Without objection, it is so ordered.

THE VIETNAM CRISIS

Mr. BAYH. Mr. President, few subjects in the past weeks have received as much attention, as much discussion or as much legitimate concern as the subject of the brewing crisis in southeast Asia. I wish to add my views to those who have joined in this discussion.

Unfortunately, I do not possess some positive panacea to this problem. To say that the problems of South Vietnam are complex is in itself an oversimplification. But one fact does appear clear—the American people must be made aware of these complexities.

The people of this great land have shown resolute willingness to support a course of action required to protect the freedoms they cherish. They have repeatedly stood ready to make the sacrifices necessary to make this world a better place in which to live. But this resolution in the past has been based on a clear understanding of the course which must be followed to secure our national goals. Similar resolution and determination in support of a course of action in South Vietnam today requires similar understanding on the part of the citizenry of this great land.

What it the picture in South Vietnam? What are the facts that confront America and Americans in that far-off corner of the world? First, it should be understood that the South Vietnamese crisis has no simple, easy solution. It has been developing for a number of years and, as much as we might wish, will not be wished away overnight.

We, as Americans, are at our best when the task before us is clear. Under such circumstances, we have exhibited an unlimited ability and determination to meet any call. For example, there was no question about the task before us when the Kaiser's forces were threatening to overrun Europe in World War I, when the Nazis had enslaved Europe in World War II and when the Japanese attacked Pearl Harbor. The task and course were clear.

The issues confronting the United States in southeast Asia are not as obvious as those of World War I or II, nor are the U.S. interests involved so apparent. But let us pray to God that this generation of Americans will exhibit similar determination, courage, perserverance, imagination, and foresight to meet problems of simliar gravity and magnitude which are not as well defined today.

To those who like to consider world problems as neat little packages which can be solved simply, each one to be tied with a different colored ribbon, placed quietly in the corner and then move on to the next, South Vietnam offers little comfort.

The problems of South Vietnam are not only complex, but at times seem to defy solution. The results of both action an inaction at times appear equally undesirable, while the consequences to mankind of miscalculation are too horrible to contemplate. But we will never improve the situation, let alone remove the dangers confronting freemen in southeast Asia, until we recognize what the real problems are, the alternative solutions to these problems, and the ultimate effects and consequences of each proposed solution.

The most oft heard comment concerning South Vietnam is that: "We should never have been there in the first place." This may or may not be the case. But to spend much time and resources arguing this point does little but confuse the issue. The decision to make U.S. influence felt in South Vietnam was made a decade ago. This decision has been supported by three Presidents and by both political parties. Right or wrong, like it or not, we are in South Vietnam today. This Nation is committed to a course of action in southeast Asia. The question is: Is the present course of action still wise? If not, how then do we change it, or, in fact, if there is no wise action for this country to follow in southeast Asia, then how do we get out?

The U.S. Government, as we all recall, was requested by the legitimately constituted Government of South Vietnam to assist the small nation in its effort to protect itself against the encroachment of communism. During the past several years hard core guerrilla fighters have infiltrated into South Vietnam from North Vietnam—its neighbor to the north.

The Vietcong's "hard core" forces now number about 35,000, with 60,000 to 80,000 local, part-time guerrillas backing them up. Moreover, since 1959 at least 20,000 and perhaps as many as 37,000 infiltrators have entered South Vietnam from the north.

The guerrilla activities have spread. The countryside has been terrorized. Three thousand to four thousand village leaders have been murdered or kidnaped each year. Modern weapons have been shipped into South Vietnam in increasingly large numbers from North Vietnam, from Red China, and other Communist nations, as the recent State Department white paper so adequately pointed out.

In the face of these terrorist tactics we have attempted to assist South Vietnam by strengthening that nation economically and militarily. Hundreds of millions of dollars—as we all know, having had to appropriate them—have been spent in this effort. American fighting

men are presently stationed in South Vietnam. Each daily headline brings additional evidence of sacrifice, contributions and the efforts that this country is making to protect the people of South Vietnam from enslavement by communism. Yet, despite the American contribution, despite the effort we are making, despite the growing American casualty list, until recently, American direct military involvement was small when compared to that of the South Vietnamese. As of January 1, 1965, American military forces totaled 23,000 while the South Vietnam Army numbered 240,000 with an additional 239,000 men comprising part-time, paramilitary forces. As of March 8, 303 Americans were killed and 1,913 Americans were wounded due to hostilities.

South Vietnam losses totaled 26,000. I might add the Vietcong lost 85,000 during the same period.

Yet the present course of action has not made South Vietnam a safe country. It has not created conditions upon which governmental stability can exist. The Communists appear to have increased their determination to overrun the country.

Despite the adversities that apparently confront us in South Vietnam, during that same period Vietcong guerrillas, the Communists, lost approximately 85,000.

Perhaps we should ask ourselves, what alternatives are open to us as a nation? Three basic alternatives are suggested by those who have expressed their concern over the South Vietnamese situation. Most Americans who suggest one of these alternatives are undoubtedly sincere in feeling that their prescribed course of action is in the best interest of our country. But, unfortunately, all too often those proposing one solution or the other fail to follow it to its final consummation or to consider all the eventualities of following such a course. Is there an easy course of action to follow in South Vietnam? Let us examine the alternatives.

In attempting to answer that question, I should like for a moment or two to examine the alternative to which I have earlier referred.

The first suggestion is that we should attack. We should commit large numbers of ground troops and unleash our air force. We should show the Communists that we mean business. Proponents of this course of action say that America has never lost a war and that we should not let Communist guerrillas 8,000 miles away push us around. It is said that since we have more military might than the rest of the world combined, we should not tolerate being pushed around. I suppose that such a call to arms is a natural patriotic response on the part of many, but such a call to arms must also accept the realities of the present situation in Southeast Asia.

It is difficult to fight a war halfway around the globe, to fight a war where all supplies, from bullets to bombs and socks to shells, must be shipped 8,000 miles. It is difficult to fight a guerrilla war and, like it or not, this is the type of struggle in the jungle, the swamps, and the hamlets of Southeast Asia. It is a guerrilla war, not a traditional type of war.

The history of fighting Communist guerrillas in the Philippines, Malaya, and more recent, now, in South Vietnam indicates that to be successful in such a struggle the struggle the guerrilla forces must be outmanned approximately 10 to 1. South Vietnam is presently preparing to increase the size of its Army by 100,000 men. But even this increase to a total army strength of 340,00 regular troops or 629,000 men, including para-military forces, appears to be insufficient in the light of increased Communist infiltration from the north.

Actually winning the war in South Vietnam in the swamps, the jungles, and the villages would entail a commitment of large numbers of United States troops—troops to fight a land war in Asia. The commitment of large numbers of American fighting troops in South Vietnam would in all probability bring the North Vietnamese Regular Army into the struggle. They are not at present in it. The North Vietnam Army numbers approximately 490,000. It is well trained and equipped. In addition, there is the possibility that tens or hundreds of thousands of Chinese volunteers also would be committed to the struggle as was the case in Korea. This, of course, would entail the commitment of even larger numbers of American troops.

To be sure, and to be realistic, there is no certainty that North Vietnam or China will become further involved in the future. But there is also no certainty that they will not. Those who advocate a land war for United States troops in Asia had best examine all possible ramifications of such a policy.

To those who feel that this attack-and-win theory is the easy solution to the South Vietnam problem let me point out that the French were engaged in southeast Asia for approximately 9 years. During this period they committed over 250,000 French troops to the struggle. Total French casualties reached 10,000 men killed. In the final analysis, the French suffered a humiliating defeat.

In Korea, which is of more personal interest to us in America, U.S. forces reached a maximum strength of 328,000 troops. Other nations, including South Korea, committed forces totaling more than 300,000. During the duration of the Korean war, 1,789,000 American servicemen served in Korea at one time or the other. The United States—to look at the cold, hard statistics—suffered 33,-629 killed and 103,284 wounded in Korea, and the truce which followed was a truce, not a victory. We need to remind ourselves that there was no victory in that war; we are still required to keep thousands of men in Korea to maintain the truce.

Are we today willing to wage a similar type conflict in South Vietnam, with similar loss of blood and suffering by Americans?

To be sure, we have the capability of devastating North Vietnamese and Chinese military installations, industry, and cities from the air. This could well deter their full-scale participation in the South Vietnamese struggle. But it seems to me there is no magic mathematical formula to determine if this deterrent will be sufficient to keep the North Vietnamese and Chinese from a full-scale invasion of South Vietnam, nor do we know at what time our attacks on China would involve Russian retaliation which, in turn, could involve the entire world in a nuclear exchange in which there would be no victory whatsoever—and certainly no victor.

On the world scene another factor must be considered. The breach between Red China and Russia appears to be growing wider. Numerous cracks are developing in the heretofore impenetrable solidarity of communism. Certainly this is in the best interest of the United States and the rest of the free world. Would U.S. air attacks on Red China solidify the Communists? Could they patch up their differences in the light of attack by a common enemy? We do not know for certain. But certainly such a possibility must be considered.

Another easy solution which is ofttimes suggested is retreat—that America should recall her troops and her weapons and, since we should not have been in South Vietnam in the first place, nothing would be lost to retreat now. As I mentioned earlier, the initial involvement in southeast Asia is not now the question. We are there. The Communists know we are there. The noncommitted nations, as well as our allies, know we are there. They are watching to see how we respond.

Do we treat with little regard the safety and freedom of the people of South Vietnam whom we have pledged to help? Are we willing to subject the entire areas of southeast Asia, including our friends and able allies in Thailand, Malaysia, and the Philippines, to Communist enslavement? There can be little question that, if we are to turn tail and run, the entire southeast Asia area—South Vietnam, Laos, Cambodia, Thailand, Burma, Indonesia, and even the possibility that India, Pakistan, and the Philippines, who are under increasing pressure from the Huks once again, would come under Communist domination.

True, southeast Asia is 8,000 miles away. It is not in our sphere. But, those who advocate this course of action must realize that the action which the United States takes in southeast Asia will have lasting repercussions in other areas of the world. Indeed, the developing nations of the world are watching closely to see if we really mean what we say about the freedom of mankind and about our willingness to fight to protect it. I think it is fair to say that all the nations of the world with whom we have agreements and contractual relationships are watching closely. Our neighbors in this hemisphere are wondering what the United States will do under pressure. If we prove by our action or our inaction in southeast Asia that the United States can be threatened or bullied into submission, then the "paper tiger's" tail will be twisted again and again. Our allies will desert us and the developing nations of the world will look to others to cham-

pion their cause. The net result will be that the smoldering embers of communism will burst into flame throughout the world.

The most often discussed solution to the South Vietnamese problem is that of negotiation. And indeed any permanent and lasting solution to the problems confronting us in this area will require negotiation discussions among all countries involved. It seems all too realistic that we shall have to recognize this. But the United States cannot negotiate with a Communist foe who is unwilling to negotiate, who will use the negotiating table merely as a propaganda camouflage to hide continued aggression until South Vietnam has fallen under complete Communist domination. Indeed, it is fair for us to ask why should the Communists negotiate if they are free to murder South Vietnamese village leaders, bomb and shell American airfields and command posts, and infiltrate fighters and weaponry without the slightest reprisal or risk of damage. Why should the Communists negotiate if they are free to murder American boys and the only admonishment that we express is "naughty, naughty" in a diplomatic pouch? Indeed it seems to me the answer to these questions is simple. Under such circumstances they will not negotiate.

Certainly this country and the entire world learned following the unfortunate circumstances at Munich prior to World War I that negotiation itself does not solve world problems. Rather, as was the case in Munich, as we all well remember, premature and incomplete negotiation led to a bloody world conflict.

We are dealing with Communist conspirators who frankly make no bones about the fact that they desire to conquer the world. They possess an insatiable appetite. Merely saying that we desire to negotiate will not satisfy this appetite. Our enemies in South Vietnam will only negotiate for peace when they cannot win in battle. The Communists will not stop their reign of terror and war until the cost to them of such a continued course of action is too expensive for them to bear.

To be successful, negotiation must come at a time and must be held in a manner to guarantee a lasting solution not merely a pause in the chain of conflict in that area. I am in favor of negotiating a peace that will enable American military might to be withdrawn from South Vietnam in return for guaranteed protection for the rights of the people of the area so that they may determine what kind of life they want to live without interference from other countries. But, in speaking of negotiation, we must realize the dangers involved in and the practical prerequisites necessary to negotiating with tyrants. Freedom-loving people negotiate out of a desire for peace, but tyrants negotiate only out of a necessity for peace.

I, for one, am in favor of finding peaceful means to solve the differences of opinion which exist in South Vietnam, provided such means protect the territorial and political rights of the South Vietnamese, and provided further that such means will not sanction concession or capitulation to the Communists.

Certainly we learned that Communist promises cannot be taken at face value. They cannot be trusted. Events in Poland, Czechoslovakia, Hungary, Greece, Cuba, as well as southeast Asia, to name but a few, have given us ample evidence of Communist treachery. Any agreement with the Communists must contain adequate safeguard and inspection to insure enforcement.

In determining future U.S. policy, should we attack, retreat, or negotiate, and, if so, when? We in the U.S. Senate and leaders throughout this land have a responsibility to speak out, to be heard, to carry our voice to the highest council of the land, to have our judgments weighed in the balance as such a decision is being made. This is our responsibility and the fulfillment of this responsibility, it seems to me, will assist in the formulation of the most sound policy for our country. Just as a ship on the high seas or a jet airliner in the sky above can, by necessity, have only one captain, so the United States of America can have only one Commander in Chief, the President. The President of the United States is in the best position to have all of the facts necessary to make a final judgment on this critical matter. God help him in his deliberations. It is his responsibility to chart the foreign policy of this country.

In summary, we were invited to South Vietnam by its legally constituted government to protect its citizens from Communist aggression. This goal still remains. We seek no possession, no conquest and, indeed, no expansion of the conflict.

Although the situation in South Vietnam is a continually changing one, subject to continued reevaluation, it seems to me, if we are to successfully meet the challenge, we must adhere to certain basic criteria.

First. We must provide each American fighting man who is called to serve in that area with the maximum security practicable and the most modern weapons available in our arsenal.

Second. We must show the Communists and indeed the entire world that aggression does not pay. In fact, aggression must be made sufficiently costly to deter it. We must make it crystal clear that the United States will not permit the existence of a sanctuary in which aggressors are free from retaliation. There must be no Yalu Rivers to prohibit just retribution. Our present air attacks are designed to accomplish this specific purpose.

Third. We must continue our efforts to strengthen and stabilize the government of South Vietnam. Indeed, a stable central government is the foundation of lasting peace throughout that country. A lasting government which can provide for the needs of its people. A popular government, creating a climate in which the people of South Vietnam can provide the everyday essentials of life for themselves, is the only permanent deterrent to Communist aggression. Let us, therefore, realize that programs to build schools, to combat disease and sickness, to improve agricultural techniques, and thus provide more adequate nourishment for the population, to eliminate corruption which saps the strength of the entire economic system—these programs are as important to lasting peace in South Vietnam as the maintenance of adequate military protection. We must increase our efforts to implement these programs at all levels throughout South Vietnam. To put it briefly, we must equip the South Vietnamese with the schools, the skills, the crops and the courage to provide for themselves.

Fourth. We must continue to search for means to accomplish our goals in South Vietnam which will not necessitate military conflict. We must remain ready to reason when our adversary's reason returns.

There are those who, I recognize, have pointed to the overinvolvement of the United States in the affairs of other countries. I respect their judgment.

There are some, including Members of this body, whose judgment I respect equally, who point to mistakes which have been made in our foreign policy. There are those who say we cannot be the policeman for the world. Perhaps this is all true. Certainly we cannot be the policeman for the world. But make no mistake about it. The wave of communism which threatens the homes of South Vietnam, if unchecked today, can become a tidal wave rushing toward our own homes tomorrow.

We seek no colonies, no servitude, no reparations—only the existence of an atmosphere which will enable the people of this world to live a better life in peace and freedom. And in southeast Asia, I think everyone in this country prays for the day when the people of South Vietnam will be able to provide for their own basic needs and be able to determine the type of government under which they desire to live. We in this country desire and demand only right and justice for the people of South Vietnam. When these goals for South Vietnam can be accomplished and protected at the bargaining table, I am for it. And I, for one, believe that the President is right in his present judgment that this time has not yet arrived.

RECESS TO 2 P.M.

Mr. BAYH. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 o'clock p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

Thereupon (at 1 o'clock and 32 minutes p.m.) the Senate took a recess until 2 o'clock p.m. today.

On the expiration of the recess, at 2 o'clock p.m. the Senate reassembled, and was called to order by the Presiding Officer (Mr. MONTOYA in the chair).

MANPOWER ACT OF 1965

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (S. 974) to amend the Manpower Development and

Training Act of 1962, as amended, and for other purposes.

The Senate resumed the consideration of the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that further proceedings under the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. What is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

The clerk will state the first committee amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that the committee amendments may be considered en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the committee amendments were considered and agreed to en bloc, as follows:

On page 1, after line 3, to insert a new section, as follows:

"SEC. 2. Section 101 of the Manpower Development and Training Act, as amended (hereinafter referred to as the 'Act') is amended by inserting before the last sentence thereof the following new sentence: 'The Congress further finds that, because of reductions in, or changes in the nature, kind, or extent of, national defense and other industrial activities, many professional employees have become unemployed, and because of the specialized nature of their previous employment, are in need of refresher or reorientation educational courses in order to become qualified for other employment in their professions.' "

On page 2, at the beginning of line 7, to change the section number from "2" to "3"; in line 13, after the word "new", to strike out "paragraphs" and insert "paragraph"; in the same line, after the numeral "(6)", to strike out "and (7)"; at the beginning of line 17, to strike out "or contracts,"; in the same line, after the word "agencies", to strike out the comma and insert "or contracts with public or any appropriate private agency,"; on page 3, after line 11, to insert a new section, as follows:

"SEC. 4. Sections 103 and 104 are renumbered 106 and 107, and new sections 103, 104, and 105 are added, to read as follows:".

After line 14, to insert a new title, as follows:

"JOB DEVELOPMENT PROGRAMS"

At the beginning of line 16, to strike out "(7)" and insert "SEC. 103. The Secretary of Labor shall"; in the same line, after the amendment just above stated, to strike out "Stimulate" and insert "stimulate"; after line 23, to strike out:

"SEC. 3. Sections 103 and 104 are renumbered 105 and 106 and new sections 103 and 104 are added to read as follows:".

On page 4, at the beginning of line 4, to change the section number from "103" to "104"; on page 5, in the headline in line 16, after the word "Trainee", to strike out "Bonding" and insert "Placement Assistance"; at the beginning of line 18, to change the section number from "104" to "105"; on page 6, at the beginning of line 13, to change the section number from "4" to "5"; at the beginning of line 18, to change the section number from "5" to "6"; on page 7, line 1, after the word "weekly", to insert "gross"; on page 8, line 15, after the word "amended", to strike out "by inserting" and insert "as follows:"; at the beginning of line 17, to insert "(1) Insert"; in line 18, after the word "occurs", to strike out "striking" and insert "strike"; in line 19, after the word "and", to strike out "inserting" and insert "insert"; after line 23, to insert:

"(2) Change the period at the end of section 203(b) to a coma and insert the following immediately thereafter: 'except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe.' "

On page 9, line 16, after the word "That", to strike out "they are not" and insert "he shall not pay training allowances to"; in line 20, after the word "is", to strike out "employed." and insert "employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further*, That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section."

On page 10, line 7, after the word "allowances", to insert "(or who would be entitled thereto but for the receipt of unemployment compensation)"; in line 14, after the word "compensation", to insert "The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training"; in line 18, after "Section 203(d)", to insert "of the Act"; in the same line, after the word "is", to strike out "amended to read as follows:" and insert "repealed, and sections 203(e), 203(f), 203(g), 203(h), 203(i), and 203(j) are relettered 203(d), 203(e), 203(f), 203(g), 203(h) and 203(i)"; after line 21, to strike out:

" 'For the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances under this section, or as reimbursement for unemployment compensation under subsection (h), shall be paid in accordance with the provisions of section 241.' "

On page 11, in line 3, after "(e)", to insert "The present"; in the same line, after the amendment just above stated, to strike out "Section" and insert "section"; in line 5, after the word "the", to strike out "term '1965' " and inserting in lieu thereof "and for 90 per centum of the amount of such benefits paid thereafter"; and insert "words 'all of such benefits paid' and adding a period immediately thereafter."

After line 8, to insert a new section, as follows:

"SEC. 7. Section 204(c) of the Act is amended to read as follows: 'Where on-the-job training programs under this part require supplementary and related classroom instruction, whether on-site or institutional in nature, appropriate arrangements for such instruction shall be in conformity with section 231 of this Act, and shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.' "

At the beginning of line 17, to change the section number from "6" to "8"; after line 17, to insert a new section, as follows:

"SEC. 9. (a) Section 231 of the Act is amended by striking the second sentence thereof and inserting in lieu thereof the following:

" 'Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can (1) provide substantially equivalent training with comparable Federal expenditures, or (2) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or (3) make possible an expanded use of the individual referral method, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages.' "

On page 12, at the beginning of line 8, to strike out "Sec. 7." and insert "(b)"; in line 10, after the word "thereof:", to strike out " 'For the fiscal year ending June 30, 1965, Federal payments under this part shall be 100 per centum of the cost of carrying out the agreement, and for the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments under this part shall be made in accordance with the provisions of section 241.' " and insert " 'The State agency shall be paid 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because (1) a State is without authority on the date of the enactment of the "Manpower Act of 1965" to enact legislation providing contributions to noncollegiate, adult education or training conducted in public institutions, or (2) such payments with respect to private educational or training institutions are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost of the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.' "

On page 13, after line 5, to strike out:

"SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

" 'PART C—FEDERAL PAYMENTS FOR TRAINING AND TRAINING ALLOWANCES

" 'SEC. 241. During the fiscal year ending June 30, 1966, and for each fiscal year thereafter, Federal payments for training allowances and for reimbursements for unemployment compensation under section 203 and for training programs under section 231 shall be limited to 90 per centum of the total of all such costs. Expenditures from non-Federal sources may be made in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.' "

At the beginning of line 18, to change the section number from "9" to "10"; in line 19, after the word "part", to strike out "D" and insert "C"; in the heading in line 20, after the word "Part", to strike out "D" and insert "C"; in line 21, after "(a)", to strike out "Notwithstanding any limitation in the other provisions of this Act, the" and insert "The"; on page 14, at the beginning of line 4, to insert "by the Secretary of Commerce"; in line 5, after the word "Act", to insert "or any subsequent Act authorizing such designation"; in line 6, after the word "pro-

gram", to strike out "shall, insofar as practicable," and insert "shall"; in line 12, after the word "the", where it appears the second time, to insert "occupational training or retraining"; in line 13, after the word "needs", to strike out "and the eligibility of persons for training under this section;" and insert "of unemployed or underemployed individuals residing in redevelopment areas;"; after line 16, to insert:

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;".

On page 15, at the beginning of line 1, to strike out "(2)" and insert "(3)"; at the beginning of line 7, to strike out "(3)" and insert "(4)"; in line 8, after the word "generally", to strike out "allocated" and insert "apportioned"; in line 9, after the word "to", to strike out "any agreement entered into under this Act," and insert "section 301 of this Act,"; in line 10, after the word "any", to strike out "State or local"; in line 11, after the word "required,", to strike out "nor shall any apportionment of funds be made among the several States,"; after line 17, to strike out:

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section."

And, in lieu thereof, to insert:

"(b) Sections 16 and 17 of the Area Redevelopment Act are hereby repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the date of repeal of such sections."

On page 16, after line 2, to strike out:

"(c) The expiration or termination of any other part of this Act shall not terminate the authority conferred by this section unless an Act of Congress explicitly so provides."

After line 5, to insert a new section, as follows:

"SEC. 11. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon in lieu of the period, and adding the following after the colon: *'Provided,* That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'"

At the beginning of line 16, to change the section number from "10" to "12"; at the beginning of line 21, to change the section number from "11" to "13"; after line 21, to strike out:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary."

And, in lieu thereof, to insert:

"SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary."

On page 17, at the beginning of line 20, to change the section number from "12" to "14"; on page 18, line 5, after "July 1,", to strike out "1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved." and insert "1965"; after line 8, to insert a new section, as follows:

"SEC. 15. Section 306(a) of the Act is amended by inserting after word 'proceedures' the following: 'including, subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000'."

At the beginning of line 14, to change the section number from "13" to "16"; after line 18, to strike out:

"SEC. 14. Title III is amended by repealing section 310."

And, after line 19, to insert a new section, as follows:

"SEC. 17. Sections 310(a) and 310(b) are both amended by striking '1966' and inserting in lieu thereof: '1970'."

So as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Manpower Act of 1965'.

"SEC. 2. Section 101 of the Manpower Development and Training Act, as amended (hereinafter referred to as the 'Act') is amended by inserting before the last sentence thereof the following new sentence: 'The Congress further finds that, because of reductions in, or changes in the nature, kind, or extent of, national defense and other industrial activities, many professional employees have become unemployed, and because of the specialized nature of their previous employment, are in need of refresher or reorientation educational courses in order to become qualified for other employment in their professions.'

"SEC. 3. (a) Section 102(5) of the Manpower Development and Training Act, as amended (hereinfater referred to as the 'Act'), is amended by adding a comma after the word 'arrange' and inserting 'through grants or contracts,' immediately following the comma.

"(b) Section 102 of the Act is further amended by adding new paragraph (6) at the end thereof to read as follows:

" '(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants with public or private nonprofit agencies or contracts with public or any appropriate private agency, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

"SEC. 4. Section 103 and 104 are renumbered 106 and 107, and new sections 103, 104, and 105 are added, to read as follows:

"JOB DEVELOPMENT PROGRAMS

" 'SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

" 'LABOR MOBILITY DEMONSTRATION PROJECTS

" 'SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

" '(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

" '(1) there is reasonable assurance of repayment of the loan;

" '(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

" '(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

" '(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of camparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

" '(5) the loan is repayable within not more than ten years.

" '(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

" 'TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

" 'SEC. 105. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons

other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.'

"SEC 5. Section 202(i) of the Act is amended by striking the words 'and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.', and by changing the comma after the word 'Act' to a period.

"SEC. 6. (a) Section 203(a) of the Act is amended as follows:

"(1) Amend the second sentence thereof to read as follows: 'Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment comepnsation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.';

"(2) Amend the second paragraph thereof to read as follows:

"'With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.';

"(3) Insert the words 'under the training program' after 'compensated hours per week' in the third paragraph of such subsection;

"(4) In lieu of the fourth paragraph of such subsection insert the following:

"'The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week.'

"(b) Section 203(b) of the Act is amended as follows:

"(1) Insert a comma after the word 'transportation' where it first occurs, strike out the language after that word and before the word '*Provided*' and insert the following in lieu therof: 'and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:'.

"(2) Change the period at the end of section 203(b) to a comma and insert the following immediately thereafter: 'except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe.'

"(c) Section 203(c) of the Act is amended as follows:

"(1) Strike the words 'not less than' and insert 'at least' in lieu thereof;

"(2) Insert a colon after the words 'gainful employment', strike everything in the first sentence after the words 'gainful employment', and insert the following in lieu thereof: '*Provided,* That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further,* That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section.'

"(3) Amend the last sentence to read as follows: 'The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training.'

"(d) Section 203(d) of the Act is repealed, and sections 203(e), 203(f), 203(g), 203(h), 203(i), and 203(j) are relettered 203(d), 203(e), 203(f), 203(g), 203(h), and 203(i).

"(e) The present section 203(h)(2) of the Act is amended by striking everything in the first sentence after the words 'all of such benefits paid' and adding a period immediately thereafter.

"SEC. 7. Section 204(c) of the Act is amended to read as follows: 'Where on-the-job training programs under this part require supplementary and related classroom instruction, whether on-site or institutional in nature, appropriate arrangements for such instruction shall be in conformity with section 231 of this Act, and shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.'

"SEC. 8. Section 208 is repealed.

"SEC. 9.(a) Section 231 of the Act is amended by striking the second sentence thereof and inserting in lieu thereof the following:

"'Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can (1) provide substantially equivalent training with comparable Federal expenditures, or (2) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or (3) make possible an expanded use of the individual referred method, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages.'

"(b) Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: 'The State agency shall be paid 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because (1) a State is without authority on the date of the enactment of the "Manpower Act of 1965" to enact legislation providing contributions to noncollegiate, adult education or training conducted in public institutions, or (2) such payments with respect to private educational or training institutions are required to give full effect to the purposes of the Act: *Provided,* That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.'

"SEC. 10. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"'PART C—REDEVELOPMENT AREAS

"'SEC. 251. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"'(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"'(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"'(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"'(4) no funds available under this section shall be generally apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be generally required, except as the Secretary of Labor or the Secretary of Health, Education, and Welfare, as the case may be, jointly with the Secretary of Commerce, may deem appropriate, giving adequate consideration to the relative needs of the eligible areas.

"'(b) Sections 16 and 17 of the Area Redevelopment Act are hereby repealed. The

repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the date of repeal of such sections.'

"SEC. 11. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon in lieu of the period, and adding the following after the colon: '*Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'

"SEC. 12. Section 302 of the Act is amended by striking the word 'and' following 'the Smith-Hughes Vocational Education Act.' inserting a comma in lieu thereof, and inserting 'and the Vocational Education Act of 1963,' following 'the Vocational Education Act of 1946.'

"SEC. 13. Section 304 is amended to read as follows:

"'SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(b) For the purpose of carrying out parts A and B of title II,there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"'(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.'

"SEC. 14. The following subsection is added to section 305 of the Act to read as follows:

"'(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965.'

"SEC. 15. Section 306(a) of the Act is amended by inserting after the word 'procedures' the following: 'including, subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000'.

"SEC. 16. Sections 309(a) and 309(b) are both amended by striking 'Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966' and inserting in lieu thereof: 'Prior to April 1 in each year.'

"SEC. 17. Sections 310(a) and 310(b) are both amended by striking '1966' and inserting in lieu thereof '1970'."

Mr. CLARK. Mr. President, S. 974 was introduced at the request of the administration on February 2, 1965. Its purpose is to extend, expand, and improve the Manpower Development and Training Act of 1962—hereinafter referred to as Manpower Development and Training Act.

S. 974 amends the Manpower Development and Training Act to broaden the research and experimental authority of the Secretary of Labor. It also directs the Secretary of Labor to promote, stimulate, and assist nationwide job development activities in the service occupations and related fields.

The training allowance provisions of title II of the Manpower Development and Training Act are improved and the role of private educational facilities in the manpower training program is clarified. The bill permits payment of daily commuting costs where such costs would be burdensome to the trainee and allows administrative increases in transportation and subsistence payments in States outside the continental limits of the United States. It permits a larger role for the States in setting up smaller training projects. In addition, manpower training activities in redevelopment areas heretofore carried out under the Area Redevelopment Act are transferred to the Manpower Development and Training Act with a separate authorization.

The bill extends the program for 4 additional years, and retains full Federal financing for the program through June 30, 1966. Thereafter, the States will be required to contribute 10 percent of institutional training costs, with certain exceptions permitted at the discretion of the Secretary of Health, Education, and Welfare. The 10 percent may be in cash or in kind. The bill authorizes appropriations of $454 million for fiscal 1966 and such sums as may be necessary each fiscal year thereafter. Finally, it provides that reapportionment of funds among the States will not be effected prior to January 1 of each year and then only upon 30 days' advance notice—except during the final quarter of the fiscal year.

NEED FOR THE BILL

The goal set by the Congress when it enacted the Manpower Development and Training Act in 1962 was to provide training for 400,000 jobless workers during the 3 years for which the program was originally authorized. This goal is now within reach.

This is the Manpower Development and Training Act record so far:

Training has been approved for almost 320,000 trainees of whom 135,000 are currently enrolled in training programs.

Another 60,000 individuals have been made more employable through special demonstration projects tailored to the needs of the disadvantaged.

Seventy-two percent of those completing institutional training have been placed in jobs.

Ninety-four percent of those completing on-the-job training have been placed.

Training, entry, or refresher courses, covering all skill fields, including technical and semiprofessional, skilled and semiskilled white collar, service, and agricultural occupations, have been offered under the program.

Training opportunities for the long-term unemployed are receiving heavy emphasis. About half the inschool trainees were unemployed for 15 weeks or more prior to enrollment and one-third were jobless for more than half a year. One quarter of all trainess have been nonwhite workers.

The program has concentrated much of its attention on youth, the group presently most afflicted by unemployment. During 1964, enrollment of youth rose to 38 percent of all enrollees in inschool training.

Those with little education have also received special attention. Training of unemployed persons with less than grade school education more than doubled during 1964.

While these accomplishments are gratifying to the committee, experience has also demonstrated the need for improvement. A number of changes in the Manpower Development and Training Act statute have been found necessary.

As the President stated in his Economic Report:

> The promise in the Employment Act of job opportunities for all those able and wanting to work has not yet been fulfilled.

Four unprecedented years of economic expansion, coupled with a new and growing manpower retraining effort have not brought full employment. Yet there are shortages of qualified workers in many industries and occupations. At the same time, there are some 3.7 million—5 percent of the labor force—unemployed citizens who want work but are unable to find it. There are 20 million Americans who lack the minimum training required for most jobs in today's complex economy. Another 1.3 million jobseekers will be added to the labor force this year, including a net rise of 500,000 in the number of teenage youngsters who must have a socially useful outlet for their youthful energies to say nothing of a hope of fulfilling their human aspirations. Many of these youth, some 7.5 million during the decade, will lack a high school diploma. To complicate matters further, the accelerating rate of technological innovation and its concomitant, sweeping changes in skill requirements of thousands of jobs, is putting a premium on advanced education and the increased adaptability it brings.

These are the manpower challenges; and one urgent need is to provide some measure of occupational adaptability to the legions of workers for whom it is already too late to provide "normal" educational opportunities. In response, several modifications in the Manpower Development and Training Act have been recommended by the President and Secretary of Labor. The committee agreed substantially with those recommendations, with some modifications. The committee feels that the substantial successes of the Manpower Development and Training Act clearly justify its extension. The causes of unemployment are acknowledged to be national in scope and its burdens should be borne by all. Many States and local governments are unable to provide matching funds. They simply do not have the resources to assume what is substantially a national

obligation. Virtually all of the State Governors expressed their strong desire to the Secretary of Labor for the continuation of the Manpower Development and Training Act. Many have specifically requested that the matching requirements now in the statute be eased.

We have much to learn in improving our manpower programs. The achievements already realized with the limited manpower research program already undertaken have been exceedingly useful. They have indicated the huge potential contribution which manpower development programs can make to the restoration of full employment. The committee recommends that the research and demonstration provisions of the act be expanded so that further experimentation can be carried out.

The several modifications in the training allowance provisions will assure that the central purposes of the act are served, particularly training of the disadvantaged and other unemployed who genuinely require it. Experience has fully demonstrated that training allowances are critical to the success of Manpower Development and Training Act programs.

Eligibility for training allowances largely determines the capacity of most workers to accept training and the length of time they can continue in training status. The changes in training allowances—lengthening the period of eligibility, making more disadvantaged and needy people eligible, and increasing the amount for trainees with large families, are all designed to facilitate the retraining of the people who need it most.

Bringing the ARA training under the Manpower Development and Training Act will equalize the benefits of the two programs. It is a major step toward rationalizing and consolidating the Nation's manpower programs. Adequate safeguards are included in the bill to assure that the original purpose of ARA training is preserved.

Finally, one of the new features of the act is the proposed nationwide job development program. Secretary of Labor Wirtz, in testifying before the committee, requested the new provision to provide clear direction for the active development of jobs in the service area as an integral part of a comprehensive manpower program.

The committee was assured that findings of the Department confirm the fact that there is a great potential for job development and for trained people in service and related work. Without a specific, coordinated program those unfulfilled service demands, ranging from household help to appliance servicing and beyond, would, very probably, never be articulated, never enhance our gross national product, never provide the work so desperately needed by millions of idle hands.

The committee shares the conviction of the President of the Untied States, expressed publicly on February 1, 1965, "that a substantial number of jobs can be developed from presently existing and unmet service needs—in business, at home, on the farm, and in the community."

The bill, as introduced, would make the Manpower Development and Training Act permanent legislation. The committee amended the bill to extend the present June 30, 1966, termination date of title II for an additional 4 years, to June 30, 1970. The committee is mindful of the problems encountered at the State and local levels in planning and staffing for future training programs under temporary legislation. However, the committee feels that a 4-year extension should enable the States to fully plan and meet staff requirements for future programs and permit full-scale development of essential manpower policies.

STATE MATCHING

The bill as introduced would require 10-percent matching, in cash or in kind, of all training costs from all non-Federal sources.

While the States, almost unanimously, enthusiastically favor continuation of Manpower Development and Training Act training, only a handful are both able and willing to provide cash matching funds. Many States have virtually exhausted their revenue sources both with respect to borrowing and taxing. State indebtness exceeds $92 billion—three times the indebtness of just 12 years ago. Thus, recognition must be given to the fact that Manpower Development and Training Act programs will not continue in many States if they are required to appropriate funds for matching.

The authorization for in-kind matching is designed to afford such States the opportunity to contribute toward training programs without the necessity of cash appropriations. It will, in addition, preserve local responsibility by encouraging the use of existing facilities for training.

The bill, as introduced, would require matching of training allowances as well as institutional training costs. Training allowances, by definition, cannot be matched except in cash, and the fair value of State-provided equipment, services, and facilities under most training programs is not sufficient to permit in-kind matching of total training costs.

The testimony of witnesses before the subcommittee disclosed that many States are without constitutional authority to provide matching funds for private education. At least one State, Oklahoma, is constitutionally prohibited from contributing State funds toward public or private adult, noncollegiate education. Furthermore, private educational institutions cannot themselves be expected to match training costs, in cash or in kind.

The committee amendment would eliminate matching for training allowances and postpone the effective date of State matching for institutional training costs for an additional year, until June 30, 1966. The extension of full Federal financing for 1 more year will enable the States and Federal Government to work out the administrative details of the limited matching requirements adopted by the committee.

Beginning June 30, 1966, Federal payments for institutional training costs would be limited to 90 percent of the cost to the States of carrying out agreements with the States for institutional training. In addition, the committee amendment would permit the Secretary of Health, Education, and Welfare, when necessary, to make payments to a State in excess of 90 percent where the Secretary determines; either; first, that a State is without present constitutional authority to contribute to the cost of adult, noncollegiate, public, institutional training; or second, that higher Federal payments are required for training in private institutions.

The exception for private training is intended to provide full Federal financing if necessary both where a State either cannot legally, or does not in a given training program, contribute to private education or training, or where a private institution itself does not provide in-kind or in-cash matching contributions.

While the committee realizes that under these matching provisions most training conducted in private institutions will be under full Federal financing, and committee feels that the door should not be closed to matching contributions from any source.

The committee considers that the State matching requirements of the bill, as reported, will enable all States to assume their full responsibility under the Manpower Development and Training Act. The committee does not expect any further review of the matching provisions of the act will be necessary and considers the matching provisions as reported to be final.

NEED FOR PROFESSIONAL REORIENTATION AND REFRESHER COURSES

The committee has amended the statement of findings and purpose of the act to add a further congressional finding that because of defense and other industrial reductions or closing, professional employees who become unemployed are in need of refresher or reorientation courses to become qualified for other employment within their professions.

The finding is intended to express concern for the professionally trained individual whose particular skill becomes obsolete or who may have suffered from overspecialization. Such persons may be in need of reorientation or refresher courses within their area of general expertise. The committee does not feel it necessary to authorize any new training programs in this area since there is presently sufficient authority for such training in the act. The finding adopted by the committee is not intended to authorize the payment of training allowances to professional persons who would not otherwise be paid such allowances.

EXPERIMENTAL AND DEMONSTRATION PROJECTS

The committee is satisfied that there is need for expanded experimental and demonstration projects in order to develop new techniques for finding answers to complicated manpower problems.

The bill as introduced authorized contracts only with nonprofit private agencies. The committee amended the bill to permit the Secretary of Labor to contract for experimental and demonstration projects with any private or public

agency. Grants may be made only to public or nonprofit private agencies.

Although, it is expected that generally grants will be used for smaller research projects, this limitation would not apply to the establishment of manpower research centers which would require larger sums of money. Because the scope of the centers would encompass the encouragement of research, the training of researchers, and the establishment of long-term agreements with universities, larger sums should be available for these activities.

Authorization for experimental and demonstration projects under title I and the transfer of authorization for labor mobility projects from title II to title I will free such programs from the State matching and apportionment requirements of title II and permit the flexibility necessary for the conduct of operational research.

The committee recognizes the need for replacement and bonding assistance to rehabilitated trainees with criminal records. However, the authorization for trainee bonding and other placement assistance is understood by the committee to be strictly experimental since such projects have not been tried heretofore. The funds for such projects are limited to $500,000 over the next 2 fiscal years.

TRAINING ALLOWANCE DURATION

The extension of the maximum duration of training allowance payments to 2 years is necessary to reduce the pressures on trainees in programs which have had to be accelerated to meet the present 52-week limit. Accelerated training has caused trainees who might otherwise complete training to drop out of programs because they are unable to absorb their training in such concentrated doses. The extension of the duration of training allowances will also permit programs in many of the more highly skilled and technical occupations.

COMPUTATION OF THE BASIC AMOUNT OF TRAINING ALLOWANCES

Under the Manpower Development and Training Act, the basic training allowance is the average weekly unemployment compensation payment for total unemployment. Some State unemployment insurance laws require the reduction of benefits paid to a recipient by the amount of pension payments, social security benefits, and other such payments which he receives. The effect has been to reduce the average weekly unemployment compensation payment by about $2 in such States. Trainees in such States are believed to be unfairly penalized.

The committee therefore amended the act to provide that the total amount paid to any individual who receives a reduced benefit check for the above reasons be disregarded when computing the weekly average unemployment compensation for the puropses of determining the basic amount of training allowances.

TRAINING ALLOWANCE INCREASES

The bill provides for additional allowances of $5 a week for each dependent over two up to a maximum of six.

The committee understands that the $10 increased training allowance provided by the 1963 amendments to the act is now paid on the basis of the number of persons in a trainee's household and the length of time a trainee has been in training. Thus, a trainee member of a household with three or more members is now eligible to receive an extra $5 a week for the first 4 weeks of training and an additional $5 a week thereafter. No extra allowance is paid to a trainee who lives in a household with fewer than three members during his first 10 weeks of training, but he may receive an extra $10 a week after the 10th week. The committee has been informed by the Department of Labor that the Department contemplates paying the extra $5 per dependent authorized by the bill in addition to the $10 presently permitted under the act. Thus, for example, a trainee with three dependents may have his basic allowance increased by $15 per week, $10 under the 1963 amendment and $5 for his third dependent. A trainee with six or more dependents may have his basic allowance increased by $30 a week.

TRANSPORTATION AND SUBSISTENCE PAYMENTS

The bill authorizes transportation allowances for commuting from a trainee's regular residence to his place of training. The committee recognizes the hardships which result when a trainee must use his training allowance payments for commuting expenses. The committee recommends that the Department of Labor adopt regulations specifying that commutation allowances be paid only for the least expensive form of transportation reasonably available to a trainee.

The committee added an additional amendment to the act to permit reasonable increases in the present rates of 10 cents per mile for transportation payments and $5 a day for subsistence payments in those areas, specifically, Hawaii and Alaska, where higher rate transportation is necessary and the minimum costs of room and board are in excess of $5 a day. In Alaska, for example, most trainees must use commercial air transportation at rates considerably in excess of the 10 cents per mile limit. The Federal per diem rates for Alaska and Hawaii are $21 as compared with $16 in the other 48 States. Such increases in transportation rates will not be authorized for commuting expenses.

ELIGIBILITY FOR TRAINING ALLOWANCES

The bill, as introduced, would permit the payment of training allowances to single persons without dependents and to more than one family member if the head of the family is unemployed. A committee amendment would permit payment of training allowances to family members, even though the head of the family is or becomes employed, where the Secretary of Labor determines such payments are necessary to enable a trainee to undertake or continue with training.

TRAINING ALLOWANCES FOR YOUTHS

The committee adopted an amendment authorizing the Secretary to continue training allowance payments to a youth who becomes 22 years of age while in training, provided he has substantially completed his training.

The committee amendment will permit the selection of youths for a training program who might otherwise be denied training because the duration of the program extends beyond his 22d birthday.

ON-THE-JOB TRAINING

The committee has learned that in the development and execution of on-the-job training programs, the division of responsibilities between the Department of Labor and the Department of Health, Education, and Welfare contemplated under section 204(c) of the act has not been observed. This provision contemplates that some degree of flexibility should be maintained. Nevertheless, under the clear language of the statute classroom instruction for on-the-job training programs, whether supplementary or related, is the responsibility of the Department of Health, Education, and Welfare and arrangements for such instruction must be agreed to by the Secretary of Health, Education, and Welfare or his designee.

The responsibility of the Secretary of Labor in connection with on-the-job training programs under section 204 relates to training provided at the jobsite, involving employer-employee relationships in which the trainee is acquiring production skills. Closer cooperation between the two Departments and strict compliance with the requirements of section 204(c) must be maintained.

The committee adopted an amendment to make it clear that classroom instruction conducted in conjunction with on-the-job training programs is to be conducted in conformity with the responsibilities of the Secretary of Health, Education, and Welfare.

The committee notes that the Department of Labor's budget for the fiscal year 1966 contemplates a goal of 60,000 trainees for on-the-job training—double the number projected for 1965. In addition, 40,000 trainees are projected in fiscal 1966 for on-the-job training programs in service occupations pursuant to the new job development programs. The committee welcomes this expansion of on-the-job training and recommends that increased emphasis be given to on-the-job training programs in the coming years.

PRIVATE INSTITUTIONAL TRAINING

The committee adopted an amendment setting forth specific guidelines for the States to follow in determining whether to use public or private facilities for institutional training. The committee feels that the present requirement that private facilities can only be used if they make possible reduced Federal expenditures is too restrictive and tends to discourage the States' use of private institutions where existing private facilities might have advantages over public facilities. Specifically, private institutions may have equipment or services not available in public facilities. Furthermore, training of individuals may be facilitated where a particular training course is available at a private school. In this connection, the com-

mittee feels that referrals of individuals for training should receive increased emphasis.

REDEVELOPMENT AREA TRAINING

The bill, in a new section, incorporates the training provisions of the Area Redevelopment Act under Manpower Development and Training Act. The committee adopted several clarifying amendments to make it clear that, with four specified exceptions, Area Redevelopment Act training programs will be operated in accordance with the provisions of the Manpower Development and Training Act.

The four exceptions provide that, first, occupational training and retraining needs will be determined by the Secretaries of Labor and Commerce; second, all unemployed and underemployed persons residing in redevelopment areas will be eligible for training and training allowances; third, no State matching will be required; and fourth, appropriated funds will not be apportioned among the States.

The committee wishes to make it clear that the authorization for ARA training under Manpower Development and Training Act and repeal of sections 16 and 17 of the Area Redevelopment Act is intended primarily as a legal consolidation rather than change in operating procedures. The scope, purposes and emphasis of ARA training are not in any way altered or diminished. Thus, for example, consideration is expected to be given, as is required by subsection 16(f) of the Area Redevelopment Act, "to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations." Training for redevelopment areas will continue as in the past except for the expansion of training programs which result from the increased authorized duration and amounts of training allowance payments and additional funds available for ARA training.

REAPPORTIONMENT OF FUNDS

The committee adopted an amendment which will limit the reapportionment of funds among the States to the second half of any fiscal year. The committee amendment will also require 30 days' prior notice to a State before any Federal funds originally apportioned to the State are reapportioned. Prior notice will not be required, however, during the last quarter of a fiscal year.

The committee feels that this amendment is necessary to alleviate hardships which, in the past, have been caused in some States where funds apportioned to the State are, suddenly, and without adequate notice, withdrawn and placed in the "national pool" prior to being reapportioned among the States. The committee believes that 30 days' notice will enable the States to complete the planning and secure necessary approval of inprocess training programs before funds are withdrawn to the national pool.

AUTHORIZED APPROPRIATIONS

The committee has amended the bill, as introduced, to retain specific authorization figures under each title of the act for the fiscal year 1966.

Authorization of appropriations are increased to $46 million under title I, $385 million under parts A and B of title II, and $22 million under part C—the area redevelopment training provisions—of title II. The present authorization of $1 million for title III is retained. Such sums as may be necessary are authorized for succeeding fiscal years.

Mr. President, I now ask unanimous consent that there may be printed at this point in the RECORD, that portion of the committee report beginning at the top of page 11 under the heading "Use of Appropriated Funds" and running down to the end of page 14 with the words "until June 30, 1970."

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

USE OF APPROPRIATED FUNDS

Under existing law when a training program is approved the costs of training are obligated in their entirety against the appropriation current at the time of approval of the program. This is not the situation with respect to training allowances.

Training allowances become a legal commitment on the part of the United States only after the trainees are selected and referred and the commitment is made to the individual trainees so that they will receive the training allowances. Thus, if a training program is approved on the first of June, for example, the training cost in its entirety becomes an obligation against the then current appropriation. The selection and referral of the trainees and the commitment to them may, however, not be made until the next fiscal year. The training program may be a multiple-occupation program under which trainees are selected and referred at varying periods.

Consequently, there have been serious complications in the fiscal management of the programs. The result has been that a program approved in 1 fiscal year in a State creates a contingent commitment for training allowances against the next fiscal year's appropriation.

The bill would authorize the obligation of all costs of training and training allowances against the appropriation current at the time the total program is approved without regard to when the trainees are selected and referred.

LIMITED STATE APPROVAL OF SMALL TRAINING PROGRAMS

The committee adopted an amendment which will permit the Secretaries of Labor and Health, Education, and Welfare to establish procedures whereby the approval of any training program, the cost of which does not exceed $75,000, may be delegated to a State.

The recommendation for local approval of smaller training programs should not be construed as in any way indicating that the committee expects all or, necessarily, even a substantial proportion of such program approvals to be delegated by the Secretaries. On the contrary, it is expected that the Secretaries will use their discretionary authority only in case where local approval will clearly facilitate operation of the Manpower Development and Training Act program.

SECRETARIES' REPORTS

Section 309(a) of the act requires the Secretary of Labor to report to Congress each year, evaluating the programs under title I and part A of title II, their effectiveness in securing full-time employment for persons trained under the act, the need for continuing programs and making recommendations for their improvement. Thus far, the Department of Labor has conducted only minimal evaluation and followup studies on trainees and persons considered for training. The committee feels that section 309(a) of the act contemplates that the Secretary submit, along with his report on the operation of the programs, an outline of his plans and procedures for the evaluation of the Manpower Development and Training Act operations in the year ahead. Such plans might include, among other things, thorough studies of the effects and results of training a year after its completion, indicating, for example, whether trainees have upgraded the skills learned in the program. Comparison studies of the current status of those who were refused admittance to the program and those who failed to complete their training might also be included. This will insure that the executive departments gather the information Congress needs if its voice in policymaking is to be effective.

SECTION-BY-SECTION ANALYSIS OF THE BILL AS REPORTED

Title I amendments

Section 2 of S. 974, as reported by the committee, amends section 101 of the act by inserting before the last sentence the further finding of Congress that professional employees who have become unemployed because of reductions or changes in national defense or other industrial activities, are in need of refresher or reorientation courses in order to qualify for other employment in their professions.

Section 3(a) amends section 102(5) of the act by adding the words "through grants or contracts" after the word "arrange" to make it clear that arrangements for the conduct of research and investigations may be made through grants or contracts.

Section 3(b) adds a new paragraph (6) to section 102 of the act directing the Secretary of Labor to undertake experimental and pilot projects through grants with public or private nonprofit agencies, or through contracts with public or any appropriate private agency, to improve the techniques and demonstrate the effectiveness of specialized methods in meeting the manpower and training problems of worker groups, such as hardcore unemployed, the handicapped, older workers, and members of minority groups.

Section 4 adds the following new sections to the act (renumbering present secs. 103 and 104 accordingly):

1. New section 103, job development programs; directs the Secretary of Labor to assist, in cooperation with public and private agencies, in the development of programs for on-the-job and other training in service occupations.

2. New section 104, labor mobility demonstration projects; the provision authorizing these projects is removed from title II and placed in title I. Authority to conduct relocation projects is extended for 2 more years; the present requirement that Federal grants to meet relocation expenses be limited to 50 percent is eliminated; conditions with respect to loans are clarified; and the limit on use of appropriated funds in any fiscal year for labor mobility projects is increased from $4 to $5 million.

3. New section 105, trainee placement assistance demonstration projects; provides for demonstration projects to assist in placement of trainees who cannot obtain jobs for reasons other than their ability to perform. Assistance would be provided particularly for those who, because they have criminal records, cannot secure necessary indemnity bonds. Funds available for such projects are limited to $200,000 for fiscal year 1966 and to $300,000 for fiscal 1967.

Title II amendments

Section 5 of the bill is a conforming amendment to section 202(i) of the act eliminating the additional 20-week eligibility for training allowances for persons selected for basic education courses.

Section 6(a) amends section 203(a) of the act to:

1. Permit the payment of training allowances up to 2 years;

2. eliminate the taking of deductions required by some State laws in computing the weekly average unemployment compensation to arrive at the basic amount of training allowances payable to trainees;

3. permit increases in the basic amount of training allowance payments by $5 a week for each dependent over two up to a maximum of six dependents; and

4. permit on-the-job trainees to engage in up to 20 hours of outside work without a reduction in their training allowances.

Section 6(b) amends section 203(b) of the act to:

1. Authorize transportation allowances for commuting from a trainee's regular residence to his place of training; and

2. permit reasonable increases in the 10-cent-per-mile limit on transportation payments and the $5 per day limit on subsistence payments in the noncontinguous States and territories where the Secretary of Labor determines increases are necessary.

Section 6(c) amends section 203(c) of the act to permit single persons without dependents and more than one member of a family to receive training allowances. Training allowances, however, may not be paid to members of a family if the head of the family is employed unless the Secretary of Labor determines allowances are necessary for a trainee to undertake or continue with training. In addition, training allowances are prohibited where the head of a family terminates his employment to qualify his dependents for training allowances.

Section 6(c) further amends section 203(c) of the act to provide that more than 25 percent of persons receiving training may be youths under age 22, if necessary for effective management of training programs. In addition, allowances for youths may be continued when a youth becomes 22 years old during the course of his training if he has substantially completed his training.

Section 6(d) repeals section 203(d) of the act, thus eliminating the requirement that training allowances be matched by the States.

Section 7 amends section 204(c) of the act by making it clear that where on-the-job training programs require supplementary classroom instruction, whether institutional or onsite, arrangements for such instruction are to be made in conformity with the responsibilities of the Secretary of Health, Education, and Welfare under section 231.

Section 8 is a conforming amendment repealing section 208 of the act, the present authorization for labor mobility projects.

Section 9(a) amends the second sentence of section 231 of the act by setting forth guidelines which the States may use in determining whether institutional training is to be provided in public or private facilities. Training may be provided in private institutions where such institutions can (1) provide substantially equivalent training at comparable costs, or (2) provide equipment or services not available in public institutions, or (3) make possible expanded use of individual referrals for training, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages.

Section 9(b) amends the third sentence of section 231 of the act by extending full Federal financing of institutional training costs through June 30, 1966. Thereafter, States will be required to match 10 percent of institutional training costs except where the Secretary of Health, Education, and Welfare determines that a State is without constitutional authority to contribute to adult, noncollegiate, public education or that increased Federal financing is necessary to conduct training programs in private institutions. Matching contributions may be in cash or in kind.

Section 10 adds to title II of the act new part C, section 251, providing that training programs in areas designated as redevelopment areas under ARA are to be carried out under the Manpower Development and Training Act, thus eliminating the need for separate training provisions under ARA. The training provisions of ARA are repealed. Area redevelopment training will be subject to the provisions and limitations of the Manpower Development and Training Act except that (1) occupational training and retraining needs will be determined by the Secretaries of Labor and Commerce; (2) all unemployed and underemployed persons residing in redevelopment areas will be eligible for training and training allowances; (3) no State matching will be required; and (4) appropriated funds will not be apportioned among the States.

Title III amendments

Section 11 of the bill amends section 301 of the act by restricting the reapportionment of any funds apportioned to a State to the second half of any fiscal year and requiring 30 days prior notice to the State of any reapportionment except during the last quarter of the fiscal year.

Section 12 is a technical amendment to section 302 of the act adding the Vocational Education Act of 1963 to the enumerated acts set forth in section 302.

Section 13 amends section 304 of the act by authorizing appropriations for the fiscal year ending June 30, 1966, of $46 million for title I, $385 million for parts A and B of title II, $22 million for part C of title II, and $1 million for title III of the act.

Section 14 adds a new subsection (e) to section 305 of the act to provide that the costs of training allowances as well as institutional costs approved in any fiscal year may be paid out of funds appropriated for that fiscal year, and to permit the non-Federal contribution to be based on the matching requirement in existence at the time the training program is approved. Thus, training programs approved before June 30, 1966, will not require matching by the States, even though payments to States are made after that date.

Section 15 amends section 306(a) of the act by authorizing the Secretaries of Labor and Health, Education, and Welfare to establish procedures for the approval at the State level of training programs the cost of which is not more than $75,000.

Section 16 is a technical amendment to section 309 of the act.

Section 17 amends section 310 of the act to extend the termination date of title II for an additional 4 years, until June 30, 1970.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. I believe the committee amendments have been agreed to.

The PRESIDING OFFICER. The committee amendments have been agreed to.

Mr. CLARK. It is my understanding that the Senator from Colorado [Mr. DOMINICK] desires to offer an amendment, to which I shall be happy to agree. Had I not been so advised, I would have asked for the third reading of the bill. I therefore suggest the absence of a quorum with the thought that perhaps the Senator from Colorado can be notified and brought to the floor of the Senate.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

Mr. CLARK. Mr. President, I invite the attention of the Senator from Colorado. I understand that the Senator has an amendment he desires to propose at this time.

Mr. DOMINICK. I appreciate the courtesy of the Senator from Pennsylvania. I was told when I came from a meeting a few moments ago that perhaps the Senator from Vermont [Mr. PROUTY] wished to speak on the subject before I offered my amendment. So I shall be happy to yield to the Senator from Vermont, although the Senator from Pennsylvania yielded to me.

Mr. CLARK. I shall agree to do whatever my colleagues across the aisle wish me to do in this respect. It seems to me that we are in a good position to pass the bill with a minimum of discussion. I solicit the cooperation of Senators on the other side of the aisle.

Perhaps one thing should be done before the Senator from Vermont speaks. It is my understanding that the Senator from Vermont is prepared to accede to the withdrawal of the committee amendment incorporated, at the Senator's request, in section 7 of the bill, and appearing on page 11.

Mr. PROUTY. Yes.

Mr. CLARK. Mr. President, I ask unanimous consent that section 7, which appears on line 9, page 11, of the printed bill, as amended by committee amendments, may be stricken and that subsequent section of the bill be renumbered accordingly. This amendment was proposed by the Senator from Vermont [Mr. PROUTY] and was accepted by us after consultation with the Department of Labor and the staff. It seems desirable to withdraw that amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, before our friends on the other side of the aisle proceed, I should like to express appreciation for the cooperation which I, as chairman of the subcommittee, have received from the members of the minority. Individual views are included with the report on behalf of certain members of the minority. I find myself in accord with everything set forth in the minority views except the views of the distinguished junior Senator from California [Mr. MURPHY], who would like to reduce the length of time the bill provides in terms of the extension of the retraining program. I am most grateful to the members of the minority for the cooperation we have received in connection with the marking up of the bill and reporting it to the Senate.

Mr. President, I submit certain technical amendments—14 in number—deal-

ing entirely with the deletion of quotation marks, the indentation of paragraphs, and the striking of commas.

All these amendments have been cleared with members of the minority. I ask unanimous consent that the 14 technical amendments may be approved en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and the amendments are agreed to.

The amendments agreed to en bloc are as follows:

TECHNICAL AMENDMENTS

Page 3, line 15, insert quotation marks before heading: "Job Development Programs".

Page 3, line 16, delete quotation marks.

Page 3, line 23, delete quotation marks.

Page 7, lines 16–24, indent five spaces.

Page 8, lines 1–2, indent five spaces.

Page 8, lines 8–14, indent five spaces.

Page 8, lines 17–25, indent five spaces.

Page 9, lines 1–9, indent five spaces.

Page 9, line 9, insert quotation marks after the word "prescribe".

Page 10, line 4, insert a semicolon immediately following the quotation marks.

Page 16, line 18, strike the comma after the word "Act".

Page 16, line 19, strike the comma after the term "1963".

Page 16, line 20, strike the period after the term "1946" and insert a comma in lieu thereof.

Page 16, line 20, insert a period immediately following the quotation marks after the term "1946".

Mr. PROUTY. Mr. President, I wish to express my appreciation to the distinguished chairman of the subcommittee [Mr. CLARK] for the courtesy and the cooperation which he extended to the members of the minority. This has been a bipartisan effort, and I believe that a large share of the credit for our accomplishment should go to the senior Senator from Pennsylvania. I am most grateful to him.

Mr. President, I look upon the Manpower Development and Training Act as an experimental program; a program conceived of the notion that all men that want to work should be given their chance.

In reviewing the practical application of the act over its short tenure, I have found it to be more effective in some respects than in others. The Subcommittee on Employment and Manpower and the full Labor and Public Welfare Committee this year have adopted several refining amendments which I feel will make the act operate more efficiently.

One of the unfortunate situations that occurred under the previous operation of the act was the termination of a trainee's weekly allowance when he reached the age of 22. The amended bill will now allow the youth to continue receiving the training allowances until the end of his training. I believe that this action will tend to cut down the rate of dropouts and generally complement the manpower situation.

Another inequity that prevailed in the manpower development and training program was that private training schools could participate in the program only when they could provide training cheaper than such training would be if conducted by a public institution. My amendment, which is written into the bill before you now, makes it possible for private training schools to participate in the program when the costs are comparable to those of public institutions.

I believe that the private institutions can play a greater role in making the manpower development and training programs increasingly effective especially where they can—

First. Provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations; or

Second. Make possible an expanded use of the individual referral method; or

Third. Aid in reducing more quickly unemployment or current and prospective manpower shortages.

According to a survey made available to me by the Department of Health, Education, and Welfare, only two of the States have appropriated funds to date which would meet the matching requirements that would come into effect after June 30, 1965.

Many States either will not or cannot meet this deadline for the matching requirement. Therefore, in order to realize the maximum participation by the States that is possible, I recommended that the matching requirements take effect after fiscal 1966. At that time 90–10 matching requirements—in cash or in kind—would become effective with respect to the training costs of the program. Training allowances would continue to be 100 percent federally financed.

An area of continuing concern to me is the small number of people being trained on an individual referral basis. Slightly more than 3,000 persons, nationally, have been trained via this method during this fiscal year to date.

Expanded use of the individual referral method can only lead to a reduction in the dropout rate, and an increase in the number of persons placed in the fields best suited to their aptitudes.

Mr. President, I do not feel that we have before us a finished product, even though we have amended the act on several occasions. In some areas the program has been effective and in some it has not. No, I cannot testify as to the efficacy of the program as a whole today. Continued surveillance of the practical application of the act is necessary, and I am sure that we shall have to perfect it further from time to time.

I do urge, however, that the bill, S. 974, be favorably considered by the Senate, and I share the hope of all others that it will be successful.

I shall propose one or two amendments later, but basically, I am most interested in having the program continue.

Mr. DOMINICK. Mr. President, I offer the amendment which I send to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 15, line 11, strike out "generally."

On page 15, line 11, strike out the comma and insert a period.

On page 15, line 12, strike out everything beginning with the word "except," through line 17.

Mr. DOMINICK. Mr. President, the amendment is technical in nature, but I believe it is fairly fundamental. The original proposal that I submitted to the staff of the Senator from Pennsylvania provided for striking out the word "generally" on page 15, line 8, which refers to apportionment.

I have deleted that because there seems to be some concern on the part of the senior Senator from New York [Mr. JAVITS] as to whether this provision would have affected the right of the Secretary to borrow funds under the factors set up in section 301. I am trying by this amendment to make sure that the Secretary is not delegated the power to determine whether this program will go into a matching fund basis.

It strikes me that Congress should be the agency to determine whether we are to have matching funds. If we are to have them, Congress should establish this in the bill, and not merely delegate to the Secretary the power to determine from day to day what he thinks may be necessary by way of matching fund requirements.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. CLARK. The Senator from Colorado was courteous enough to call his proposed amendment to the attention of the staff. We have taken the matter up with the Secretary of Labor.

I have no objection to the amendment of the Senator, and therefore would be glad to accept the amendment.

Mr. DOMINICK. I thank the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

MANPOWER DEVELOPMENT AND TRAINING ACT PUTS MEN ON PAYROLLS INSTEAD OF ON RELIEF ROLLS

Mr. YARBOROUGH. Mr. President, it is with considerable pleasure that I rise in support of the Manpower Act of 1965, to amend the Manpower Development and Training Act of 1962. I commend the distinguished Senator from Pennsylvania who so ably steered the Manpower Development and Training Act of 1962 and who, through the continued study by his subcommittee with leading industrial engineers, industrialist of America, and labor unions, has continued a very enlightening study of this manpower and automation problem, and the unemployment of labor brought about by automation. During the first 2 years of the program we have made real progress in Texas toward increasing the skills of many of our citizens of all ages who, without the training offered under the Manpower Development and Training Act, would have found themselves on the relief rolls instead of on the payrolls.

Through June 30, 1964, 4,572 individuals were trained in Texas at an esti-

mated cost of $6,948,028. Programs were offered to train people to be such things as farm machine operators, cooks, automobile mechanics, machinists, stenographers, diesel mechanics, appliance repairmen, turret-lathe operators, welders, and insurance rate clerks.

I hope that in the next 4 years the people of my State will participate more fully under this expanded act. I fear that, although much has been accomplished, there has been an under-utilization of this program in Texas. The Texas work force is 5 percent of the total U.S. work force, but we had only 1.8 percent of the training approvals. Perhaps a greater effort is needed both at the State and the Federal level, so that more people in the local communities can find out about what is available from the Federal Government in this regard, as the number of unemployed and unemployable warranted a fuller participation in Texas.

For the information of my colleagues from agricultural States I point out that although the bill incorporates the training provisions of the Area Redevelopment Act under Manpower Development and Training Act, this change is intended as a legal consolidation rather than as a change in operating procedures. Thus, consideration is still to be given "to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular of primary occupations." This language is from the committee report, at page 10. We took this matter up in the committee, and language was placed in the report to protect training plans under the Area Redevelopment Act. The city of Laredo, Tex., trained operators who had replaced the braceros who formerly did that type work and gave them new skills. That is one of the large unemployment areas of the country. In Texas this provision has enabled many agricultural workers, especially in south Texas, to learn new skills that make them employable all year around, instead of only at certain times of the year. This can mean a lot both to a man's pocketbook and to his self-respect.

This program has been most successful. I commend the distinguished chairman of the subcommittee, the distinguished Senator from Pennsylvania, and his staff, for writing this protection into the report. They have rendered distinguished service.

The record of the Manpower Development and Training Act to date has indeed been impressive. The original goal for the first 3 years of the program was to train 400,000 jobless men. To date, training for almost 320,000 trainees has been approved. I think that is a remarkable record for a new program. Seventy-two percent of those completing institutional training have found or been placed in jobs. Ninety-four percent of those completing on-the-job training have jobs.

The success of the program thus far is the best argument for extending and expanding it to deal with the unmet needs of the present and the future. With a high rate of unemployment with too many older workers insufficiently trained with 1.3 million workers coming into the labor force this year and with an accelerating rate of technological unemployment we must act now rather than be sorry later.

Mr. CLARK. Mr. President I thank the Senator for his kind words. The Senator from Texas made a substantial contribution to this legislation in connection with assuring that the agricultural workers would be given the same consideration that they have received in the past. It was due to the efforts of the Senator from Texas that the paragraph on page 10, to which he referred, was placed in the report to assure that agricultural trainees would still receive the same consideration that they had received earlier.

Mr. YARBOROUGH. Mr. President, I thank the Senator.

Mr. PELL. Mr. President, the Manpower Development Training Act has been an extremely successful program in my State of Rhode Island. Since its inception in August 1962, a total of 36 Manpower Development Training Act projects have been approved through January 31, 1965, to train 1,197 persons with a total dollar commitment of $2,195,996. During approximately the same period, November 1961 through January 31, 1965, the Area Redevelopment Act has brought 17 approved projects to Rhode Island to train 1,225 persons with a dollar commitment of $949,815.

Rhode Island has, over the last 5 years, had an abnormally high rate of unemployment, averaging over 7 percent. Manpower Development Training Act and Area Redevelopment Act training has brought a high measure of hope to jobless Rhode Islanders, and are programs we support enthusiastically.

It has been a pleasure to work with my able and distinguished colleague from Pennsylvania [Mr. CLARK], the chairman of the Employment and Manpower Subcommittee, on this legislation. I commend him and the distinguished chairman of the Committee on Labor and Public Welfare, for their fine efforts in bringing this measure before the Senate for its approval.

Under these amendments extending the Manpower Development and Training Act for 5 years, Rhode Island could receive as much as $1,633,000 for training programs. These programs will be of great help to my constituents, and I hope we will have House concurrence with this Senate version which I am confident we will act on favorably today.

I ask unanimous consent that summaries of the Manpower Development and Training Act and Area Redevelopment Act training programs which have been carried out in Rhode Island, be printed in the RECORD at this point.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

Rhode Island: Summary of training programs approved under the Manpower Development and Training Act and the Area Redevelopment Act cumulative to January 31, 1965

Program	Number		Funds committed
	Projects	Trainees	
Total	53	2,422	$3,145,811
Manpower Development and Training Act	36	1,197	2,195,996
Institutional	35	1,185	1,730,216
On the job	1	12	465,780
Experimental and demonstration	0	0	0
Area Redevelopment Act	17	1,225	949,815
Institutional	17	1,225	949,815
On the job	0	0	0

Training projects approved under the Manpower Development and Training Act for Rhode Island

[Cumulative through January 1965]

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
		INSTITUTIONAL TRAINING		
1	Providence-Pawtucket.	Machine operator, general	26	30
2	do	Turret lathe operator	16	52
3	do	Automobile mechanic (entry)	24	52
4	do	Machine operator, general	15	30
6	do	Programer, computer (entry)	25	52
7	do	Automobile mechanic (entry)	15	30
8	do	Sheet metal worker (entry)	20	30
12	do	Auto body repairman, metal (entry)	15	40
13	do	Clerk-stenographer	25	30
17	do	Machine operator, general (entry)	15	30
18	do	do	15	30
20	do	do	15	30
21	do	do	15	30
202	Providence	Custodian	45	8
203	Providence-Pawtucket.	Homemaker (domestic service)	48	42
204	Providence	Machine operator, general	18	25
207	Providence-Pawtucket.	Clerk-stenographer (entry)	25	30
208	do	Machine operator, general (entry)	30	25
210	do	do	25	25
211	do	Electric appliance serviceman	30	30
212	do	Machine operator, general	30	25
213	do	do	30	25
214	do	Turret lathe operator (entry)	32	30
215	do	Programer (entry)	20	52
216	do	Automobile mechanic (entry)	15	25
217	do	do	15	25
220	do	Draftsman, architectural	20	40

Training projects approved under the Manpower Development and Training Act for Rhode Island—Continued

[Cumulative through January 1965]

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
		INSTITUTIONAL TRAINING—con.		
221	Providence-Pawtucket	Draftsman, mechanical	20	40
222	do	Draftsman, structural	15	40
R-5001	Providence	Porgramer (entry)	20	52
R-5002	do	Loom fixer (textile) (entry)	24	24
R-5003	do	Spotter, general	40	16
R-5004	do	Presser, hand	40	16
YM-5009	Providence	Multioccupation	397	
X-5013	Statewide	Individual referral (less-than-class group).	5	52
		ON-THE-JOB TRAINING		
J-1	Esmond	Loom fixer apprentice	12	24

Training projects approved under Area Redevelopment Act for Rhode Island

[Cumulative through January 1965]

Project No.	Area	Occupation	Number of trainees	Duration (in weeks)
		INSTITUTIONAL TRAINING		
[illegible]	Providence-Pawtucket I.	Typist	80	18
		Automotile mechanic	32	20
		Machine tool operator	66	20
Supplement I to II	Providence-Pawtucket II.	Bookkeeping machine operator	36	3
		Welder, combination	40	20
		Sheet metal worker	18	20
		Electronic mechanic	40	20
		Typist	120	20
		Machine tool operator	64	20
150	Providence-Pawtucket III.	Tabulating machine operator	40	20
		Console operator-computer programer.	120	18
266	Providence-Pawtucket.	Sheet metal worker	20	20
346	do	Key punch operator	50	4
411	do	Machine operator, general	25	20
665	do	Nurse aid	50	5
850	do	Machine operator, general	15	20
851	do	do	20	20
852	do	do	15	20
861	do	Automobile service station mechanic.	15	16
901	do	Nurse, public health	72	3
903	do	Teller, banking	60	5
A-5015	do	Weaver, automatic spindle	120	(1)
A-5162	do	Automobile service station mechanic.	30	(1)
A-5166	do	Nurse aid	72	(1)
A-5167	do	Machine operator	15	(1)

[1] Information not available.

Mr. BARTLETT. Today we have under consideration amendments to the Manpower Development and Training Act. Included in the amendments is a provision that the Secretary of Labor shall have discretion to adjust transportation and subsistence allowances in areas outside the continental United States where the cost of transportation and subsistence are so high that the present rate places an extraordinary burden upon trainees. This provision was included among the amendments at the request of Senator GRUENING and me.

Manpower development and training programs have demonstrated, in their short existence, remarkable capacity to bring men and women who are on the fringes of the labor market into full productive activity. None of us could have foretold the benefits we derive from these programs when the Act was first enacted, but I think there are few of us in the Senate today who would not attest to the success of these programs.

As is always the case, however, no program when first proposed takes into account all of the problems which may be encountered. This was especially true in the Manpower Development and Training Act when consideration was given to the amount of subsistence and training allowances. Regrettably, my own State of Alaska has the highest cost of living of any State of the Union. It is so high that the maximum allowances under the Manpower Development and Training Act are totally inadequate to meet the cost to the trainees. Many of the Manpower Development and Training Act training programs in Alaska have been designed especially to assist our native people in becoming productive members of 20th century society. A serious difficulty, however, in this approach is the fact that the trainees are finding it almost impossible to attend the program because of the high cost. It is my hope that the Senate will agree to the inclusion of the provisions I have mentioned so that these people may be brought into Alaska's developing economy at a time when our need for them is great.

In this connection, I ask unanimous consent to include in the RECORD at this point copies of correspondence which have been exchanged dealing with the financial difficulty encountered by trainees.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

STATE OF ALASKA,
DEPARTMENT OF LABOR,
March 10, 1965.

Hon. E. L. BARTLETT,
U.S. Senate
Room 248, Senate Office Building,
Washington, D.C.

DEAR SENATOR BARTLETT: In reply to your letter of February 27 concerning supporting data for subsistence and travel allowances for Manpower Development Training Act, we offer the following information.

With regard to travel allowances, attachment No. 1 shows a random selection of the 70 villages from which recruitment occurred for the Nome Vocational School. Column 3 gives scheduled airline fares. Column 4 is the maximum payable under Manpower Development Training Act as based on air miles under column 6. Column 5 is the differential in fares which the trainee or another source other than Manpower Development Training Act must pay.

To assist natives in offsetting its additional expense, the BIA budgeted $12,000 to supplement the transportation allowance provided under the Manpower Development Training Act program. These funds have now been exhausted.

Nonnatives, of course were given only the 10 cents per mile, or approximately 50 percent of the cost of travel from the trainee's residence to the location of training.

Their reference to subsistence allowances in Alaska, the maximum payable under Manpower Development Training Act is $5 per day or $35 per week. From attachment No. 2, using Seattle as a base, Alaska expenses are from 16 percent to 63 percent above Seattle for 40 basic foods.

An example of the inadequacy of the subsistence are those trainees now in training at the Nome Vocational School.

The school has set us, through the use of surplus farm products, a means whereby they feed the trainees three meals a day for 5 days a week at $1 per meal. This totals $15 per week. The townspeople, through public collective agreements, charge a trainee $3 per day or $21 per week for housing. This totals $36 per week without meals on weekends. With a maximum of $35 per week for subsistence, a trainee is automatically in debt before his first week of training is complete.

Attachments Nos. 3 and 4 are self-explanatory exhibits showing the hardships created by high living costs and low income. Note, though, the two electronic technicians that dropped for financial reasons after the 17th and 18th weeks. This course cost approximately $3,400 per man for vocational education instruction, which means the loss of these men totals $6,800. Situations like this could possibly be eliminated with adequate allowance payments.

The remaining attachments Nos. 5, 6, and 7 are excerpts and routine correspondence which pertain to and have had bearing on this problem in the past.

Very truly yours,

GIL JOHNSON,
Commissioner of Labor.

ATTACHMENT No. 1

Manpower Development and Training Act transportation allowances

From (town)—	Nome, via—	Fare	Maximum allowance payable	Difference	Mileage, round trip
Akiachuk	Bethel	$95.00	$29.50	$65.50	295
Ambler	Kotzebue	55.00	30.30	24.70	303
Clarks Point	Dillingham—ANC	123.00	90.80	32.70	908
Dillingham	Bethel	110.00	46.40	63.60	464
Deering	Kotzebue	25.00	25.00	0	[1] 250
Ekwak	Dillingham-ANC	130.00	90.00	40.00	900
Emmonak	St. Michael	50.00	12.50	37.50	[1] 125
Golovin	Direct	25.00	7.20	17.80	[1] 72
Goodnews Bay	Bethel	110.00	39.50	70.50	395
Huslia	Galena	45.00	32.40	12.60	324
Kalskag	McGrath	100.00	35.20	64.80	352
Kokhanok	Illiamna-ANC	95.00	82.60	12.40	826
Kwethluk	Bethel	95.00	29.40	65.60	294
Levelock	Anchorage	112.00	91.30	20.70	913
Mekoryuk	Bethel	120.00	42.80	77.20	428
Nondalton	Illiamna—ANC	95.00	82.20	12.80	822
Nulato	Galena	40.00	28.90	11.10	289
Pedro Bay	Illiamna—ANC	95.00	82.60	12.40	826
Quinhagak	Bethel	105.00	35.10	69.90	351
Sleetmute	McGrath	75.00	42.00	33.00	420
St. Mary's	Bethel—ANC	155.00	103.90	51.10	1,039
St. Michael	Direct	40.00	12.50	27.50	125
Stoney River	McGrath	72.50	41.00	31.50	410
Teller	Direct	25.00	5.80	19.20	58
Togiak	Dillingham—ANC	130.00	92.70	37.30	927
Tuluksak	Bethel	97.00	31.50	65.50	315

[1] Rev.

ATTACHMENT No. 2

QUARTERLY REPORT ON ALASKA'S FOOD PRICES, MARCH 1964

December to March changes: Retail food prices edged up by 0.2 percent during the quarter ending March 15. The food basket containing 40 food items cost consumers $22.85 in March compared to $22.80 in December.

Seattle consumers paid $17.90 in February for the same items (virtually no change from the $17.89 paid in November). U.S. food prices averaged 1 percent higher for the same period.

Kodiak prices were up 37 cents for the quarter followed by Sitka 21 cents higher, Nome 17 cents, Juneau 12 cents, and Ketchikan 3 cents higher. Cities showing decreases were Seward 17 cents lower, Fairbanks 14 cents, Anchorage and Palmer 13 cents and Petersburg 3 cents lower.

Coffee prices jumped 7 percent and canned orange juice advanced 5 percent during during the quarter. Most fresh vegetables with the exception of tomatoes were higher with onions, carrots, lettuce, and cabbage averaging 5 percent higher. Cabbage took the sharpest jump with a 10-percent increase reflecting lower supplies and adverse crop weather "outside". Fresh tomatoes were in good supply and prices dropped 6 percent. Meat prices averaged 1 percent lower with prices of pork chops down 3 percent. Prices for fresh fruits held steady with the exception of oranges which declined by more than 8 percent.

Alaska's food price index for the quarter ending March 15 or the 10 cities was 99.3 percent—no change for the period (average "basket" price for 1957–59 equal to 100). The index for Seattle, using Seattle prices for the base period, was 106.1 percent—up 0.1 percent.

March 1964 compared with 1963: Alaska's food prices continued to hold above the level of a year ago and were 1.4 percent higher. The 40 food items cost consumers $22.85 this March compared to $22.53 a year ago—up 32 cents. Prices of a number of items led by canned and frozen orange juice (up 30 percent over last year) were sharply higher. Onions, lettuce, sugar, coffee, and fruit cocktail ranged from 8 to 15 percent higher while other items ranged from slightly higher to as much as 4 percent.

Offsetting these rises were lower prices for fresh oranges (9 percent), frying chicken and apples (7 percent), salad dressing (5 percent), shortening and pork chops (4 percent) and other items ranging from 3 percent lower down to slightly lower for the year.

NATIONAL FOOD SITUATION

February food price index: Food prices edged up by 0.2 percent in February but were somewhat lower in March according to the U.S. Department of Labor's Bureau of Labor Statistics. The rise in February was primarily the result of higher prices for fresh fruits and vegetables. Prices of bananas climbed 5 percent and apple prices rose by 4 percent. Egg prices fell more than 4 percent in February as supplies increased seasonally. Sugar and coffee prices jumped by 2 and 4 percent, respectively.

The Consumer Price Index declined 0.1 percent in February to 107.6 (1957–59 equals 100) and was 1.4 percent above a year ago. A recent BLS report indicates living costs gained back the 0.1 percent in March to raise the index again to 107.7. BLS expects costs for April to show a continued rise.

Dun & Bradstreet's Wholesale Food Price Index: The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., after hitting a 1964 high during the week of March 17, slackened to $5.92 and remained at that level on March 31. The index ran 3.1 percent over the comparable week of last year when it hit a low that year of $5.74.

Plentiful foods: May in Alaska means springtime. Everything outdoors is coming to life and nature bursts forth in glorious splendor again. May and June also inspires outdoor living and eating fun. Let us capture the freshness of the season by taking advantage of the many plentiful foods which are available. Merchants can feature plentiful foods and portray the spring season in displays, advertising, and storewide merchandising plans. And remember Mother's Day—salute the best customers you have.

Plentiful foods for the month of May are beef, turkeys, canned ripe olives, salad oils, and milk and dairy products.

MERCHANDISING COMMENTS

Alaskans eat more meat: A preliminary wholesaler and retailer study being conducted by the economics section of the Alaska Agricultural Experiment Station, giving information on pricing practices, volume handled, and attitudes toward meats in Alaska has been completed in the Anchorage and Fairbanks trade area. Preliminary results indicate that the per capita consumption of red meats in the railbelt is higher than the national per capita average. The estimated average railbelt per capita red meat consumption is 191.6 pounds compared to the national average in 1962 of 163.7 pounds. Estimates of the total volume of different classes of red meats were also obtained. They are as follows: Lamb and mutton, 69,000 pounds; beef, 10,436,081 pounds; pork, 4,353,200 pounds; reindeer, 25,000 pounds; wild game, 7,400,000 pounds; and other (including processed meats), 1,241,000 pounds.

Tabulations show that no significant amounts of Alaska-grown red meats are marketed at the present. Most meat handlers indicated they would be willing to handle local meat products of acceptable quality standards.

At present a more detailed study is being carried out to determine consumers preferences, attitudes, and future consumption trends.

Food costs, farm prices: A recent report entitled "Food Costs—Farm Prices" consisting of information compiled by the Committee on Agriculture of the House of Representatives shows that: (1) There is an everwidening spread between the price the farmer receives and what the consumer pays for food. (2) Due to the efficiency of our farmers, food now is cheaper in relation to the wages received by Americans than in any prior period of our history or in any other country in the world. (3) The farmer is the least benefited of all our people by the wealth of abundance he has created.

In 1963 food costs represented only 18.8 percent of the average family's income, after taxes. (Due to higher costs in Alaska, Experiment Station Economist Charles Marsh estimates Alaska families spend from 22 to 23 percent of income after taxes for food).

The 18.8 percent in 1963 contrasts sharply with food costs in other parts of the world. Latest figures available to the United Nations indicate that consumers in the United Kingdom spend 29.5 percent of their income for food, in Russia 53 percent, in France 30.6, Greece 46.3, Italy 44.7, Yugoslavia 46.5, Ecuador 43.8, Ghana 54.1, Israel 32.3, Japan 46.9, and the food bill covers virtually all the personal income in some of the more backward countries of the world.

The report shows that food prices have increased 29 percent in the past 16 years. Prices received by farmers have declined 12 percent. The greatest divergence between the farm and retail prices in this 16-year period has occurred between the farm prices of wheat and the retail prices of bread, other bakery and cereal products. The farm price of wheat dropped 9 percent, and the retail prices of cereal and bakery products increased 45 percent, from 1947–49 levels.

A volunteer enumerator collects these prices from three to six retail merchants in each Alaskan city shown in the table. The collection occurs in each city during the first 3 days of the week containing the 15th day of the month surveyed. For each store, the numerator quotes nonsale prices of the brand and size of items selling in the greatest volume. Prices from each city are averaged to obtain the prices quoted. These reports are better for comparing time-to-time changes than for comparing city with city.—CHARLES F. MARSH and WILLIAM P. SPENCER, economists, Alaska Agricultural Experiment Station and Extension Service, Palmer.

	Farm value (cents)		Retail cost (cents)	
	1947–49	1963	1947–49	1963
Bread (1 pound loaf)	2.7	2.5	13.5	21.6
Soda crackers (1 pound)	4.3	3.9	24.7	31.0
Corn flakes (12 ounces)	3.2	2.5	17.1	28.3
Rolled oats (18 ounces)	4.9	3.9	14.5	24.1

ATTACHMENT No. 3

TRAINEE DROPOUTS FROM UNIVERSITY OF ALASKA ELECTRONIC TECHNICIAN COURSE

NOVEMBER 21, 1963.

R. W. James, acting director.

G. H. Gissberg, assistant director, E.S.

As you may recall, we had been questioned by the regional office as to the real reasons for trainee dropouts in the Fairbanks course. We accordingly asked Mr. Bowdoin to have his counselor personally contact the trainees involved and interview them at length to ascertain reasons why they terminated the course. The results of these interviews are enclosed. There were two trainees from Anchorage who dropped out but our counselor was unable to contact these two. We eventually plan to have our Anchorage office talk to these two people. There is a statement from one which was obtained from the claims section which states he quit the training because of financial reasons.

We believe that the regional office may be interested in the documentation.

(Attachment.)

DROPOUTS FROM MANPOWER DEVELOPMENT AND TRAINING ACT ELECTRONIC TECHNICIAN TRAINEE COURSE

1. ———, 17 weeks attendance. Reason for dropout: Financial. Supported for 7 weeks on savings. Unemployment insurance benefits at $40 per week would have continued for only 26 weeks in all. Since there were automobile payments for $90 per month and a recent medical expense of $200, this was not adequate.

Difficulties in course:

(a) Level of theory class (AG–DC concepts) was based on previous knowledge of the more experienced persons in the class.

(b) Schematic diagrams were found difficult to grasp. Note: His score for the GATB Q-factor was below the 50th percentile.

2. ———, 18 weeks attendance. Reason for dropout: Financial. Mr. Gates' estimate of amount necessary to support self, wife, and two children appears to have been about $108 per wek. Subsistence was received at $55 per week. He could not get a loan on his homestead, and did not wish to borrow otherwise at a higher rate of interest.

Difficulties in course:

(a) Mathematics was difficult because his effective background was less than the equivalent of first semester high school algebra, in that he did not know how to manipulate the simplest equations.

(b) The shop course was difficult because theory did not precede practice, so that only those with previous electronic experience understood what they were doing.

3. ———, 15 weeks attendance. Reason for dropout: Not learning well enough.

Difficulties in course:

(a) Could not remember formulas or theory using them. Two semesters of algebra taken in 1937, were inadequate for understanding the mathematics as taught. Note: Also that GATB's and Q-factors were near the 50th percentile, although G, V, and N were quite high.

(b) In shop, practice ran far ahead of theory, and so was unintelligilbe to persons without electronic experience.

4. ———, 3 weeks attendance. Reason for dropout: Marital difficulties. This was stated by trainee to university authorities. Trainee appears to have left town, since call-in card was returned for lack of forwarding address.

5. ———, 6 weeks attendance. Reason for dropout: Slowness in learning.

(a) According to wife, he lost 3 days because of a back injury and could not catch up with the classwork.

(b) Officials of the University of Alaska believed that he quit "because he could not do the work."

ATTACHMENT No. 4

HAINES, ALASKA,
February 15, 1965.

Mr. ROBERT BENNETT,
Area Director, Bureau of Indian Affairs
Juneau, Alaska

DEAR MR. BENNETT: In various forms of communication between this Manpower Development and Training Act program and members of your office; i.e., employment assistance, welfare and industrial development, we find that some points of the objectives of the manpower development and training program may be unknown to the Bureau. We wish to give you a general idea of the intent of the program, and mainly idea of the intent of the program, and mainly, of the future for the trainees.

We have 41 trainees, 4 of whom are nonnative. Of the group, 3 are Eskimo, 4 are from Hoonah, 2 from Kake (plus their wives and an 18-month-old child), 2 from Yakutat, 1 from Sitka, 12 from Klukwan, and the remainder from the Haines area. Eleven of the males are either handicapped or could be classed as such. In most cases, those who are married, or from families whose parents are not working, are able to make enough to make both ends meet, as well as make it economical for them to stay with the course until its completion on June 30, 1965. We have had the thought presented, "What would these people be doing if they weren't trainees?" They would be on welfare, or a burden to business people and the community, plus, when jobs were available they would necessarily have to take a job, no matter how meager, to meet some of their bills. This, then, would be a loss of some $1,000 worth of training (over a 2- or 3-month period).

The intent of the program, and the results have already developed, is to establish light manufacturing projects whereby these people can secure jobs. Our own organization is planning on some form of light manufacturing which will hire at least 20 people. Two or three local established businesses have noted the ability of certain trainees and have stated their desire to employ them. Most of the out-of-town trainees have stated their desire to establish a small village operation. We, the instructors and the trainees realize the need for continued guidance and a much-needed craftsmen's guild to promote, market and guide the products.

In our program, and this was the purpose of contacting the employment assistance branch and welfare, we have a number of people who need financial assistance to exist. Unfortunately for us and the trainees concerned, the best of the trainees are, in the main, those who while admitted to take training, do not receive either any stipend at all or not enough to pay the necessary bills.

We are a little short of amazed to find that a coordinated effort with the Manpower Development and Training Act people and the Bureau did not exist. However, we do have a program in operation and we do have people being trained. Also, we have quite a few who are suffering severely because of lack of funds or no funds at all. We realize that the hurried and harried manner in which this program was established has caused certain minor problems to arise and that such minor things could delay confirmation of accepting these people as Manpower Development and Training Act trainees, and supplying urgently needed employment assistance funds for their keep. Messrs. Hoffman, Hope, Mayasuto, and Pruett have cooperated fully, but delays still exist. We are now going into our 7th week of training and—still have received no funds of any sort.

I am listed as director-supervisor-instructor, and so far have not had the opportunity to instruct, due to the heavy burden of the economic problems of a good one-third of the trainees. The major and minor problems confronting these people, thence us, is such that we considered changing the name from "designer-craftsman" to "designer-welfare." We also, without being facetious, wrote the University of Alaska to inform them that an important and much needed socioeconomic study of underemployed and unemployed with all the surrounding complicated problems, could be made while this course was running.

Along with putting in print the objectives of the course, the needs of a considerable number of the trainees for employment assistance, we want to ask your aid in expediting the employment assistance funds for these needy people.

Sincerely,

MANPOWER DEVELOPMENT AND TRAINING PROJECT,
CARL W. HEINMILLER,
Director.

ATTACHMENT No. 5

EXCERPTS FROM THE NOME DEMONSTRATION MAMPOWER PROJECT DIRECTOR'S REPORTS TO OFFICE OF MANPOWER AUTOMATION AND TRAINING, U.S. DEPARTMENT OF LABOR

VIII. WHAT PROBLEMS HAVE DEVELOPED

Since the last report the problems mentioned in items A, B, and C have all developed and have been satisfactorily resolved.

A. Transportation of trainees to school has been paid by a combination of Bureau of Indian Affairs funds and the Manpower Development Training Act allowance of 10 cents per mile. The BIA locally has received instruction to pay for the balance of travel when not covered by Manpower Development Training Act. This, of course, applies to native people only.

IV. REASONS FOR DROPOUTS

The dropout rate increased since the October report, rising to 23 percent. This occurred with the coming of the Christmas holidays, when eight of the trainees decided they were very homesick, went home, and did not return. Follow-up has indicated that many of these felt they had benefited from the training and would have returned to school if they had the money for transportation. The 10-cents-per-mile Manpower Development Training Act transportation allowance is not appropriate for Alaskan programs, as air travel, sometimes charter aircraft, usually is the only mode available.

D. A few trainees are receiving only the $35 per week standard subsistence allowance. It is virtually impossible to get by in Nome with this allowance. Some of these trainees have located part-time employment. Unless more permanent work is found for this small group of trainees they will have to drop from the course.

E. Another problem has arisen in that the BIA is unable to assist a trainee's large family if they are still residing in their home village. BIA has given excellent assistance to families while in Nome, but are not able to give increased allowances to the other trainees' families. The reason is that BIA welfare considers all but the trainee's $35 subsistence allowance as being "family allowance" to be sent home. This, of course, is correct in theory, but as pointed out above, $35 is not sufficient expense money in Nome.

ALOYSIUS PIKONGANNA

One of Alaska's best known villages of ivory carvers is perched on the cliffs of tiny King Island, which rises from the waters of Bering Strait, 90 miles west of Nome. Aloysius Pikonganna was born and raised on King Island. An underdeveloped leg has not prevented him from becoming an outstanding hunter and family provider, and one of the most skillful carvers among the

region's Eskimos. Moreover, this is a case where a handicapped person has developed an outstanding personality.

A conversation with Aloysius is a pleasant experience. He is a delightful storyteller with probably the best English speaking vocabulary of any King Islander of his age group. Surprisingly, he has never had a day of schooling and can neither read nor write. He is one of several illiterates in the Nome demonstration, manpower project, and is studying vocational design and crafts concurrently with basic education. This is a satisfying and valuable experience for this 55-year-old man.

Aloysius hasn't missed a day of schooling in the designer-craftsman course since its beginning September 28, 1964. He can scarcely take a single step without crutches or a handrail. Yet the handicap has never caused him to miss the dangerous walrus and seal hunts at sea where it is necessary to walk on the icepacks and climb huge ridges of ice to get within shooting range. His crutches have metal spiked tips, so it was necessary for the State vocational rehabilitation division to acquire a pair with rubber tips for the new State vocational education school building.

Pikonganna's first wife died many years ago, leaving him the full responsibility of rearing five children, all of whom have now reached adulthood. He is a grandfather many times over, and 3 years ago married a woman of his age. His $45 per week Manpower Development and Training Act training allowance is inadequate as he and his wife are helping raise grandchildren, so he works nights and weekends carving ivory objects to sell. Progress at school has been good. Aloysius is learning the use of numerous power tools, and will be gaining extensive training in jewelrymaking and stone setting during the 30-week program. These additional skills will help him produce more and better salable items.

For the past 5 or 6 years most King Islanders have established permanent residence in a cluster of huts at the edge of Nome. This was necessitated by the permanent closure of the Bureau of Indian Affairs school in their island village. Aloysius Pikonganna and others have made swift socioeconomic adjustments in the transition from a subsistence-type living to one which combines the earning of money with the harvesting of necessities from the land and sea in the vicinity of Nome.

ATTACHMENT No. 6

BIA FUNDS FOR MANPOWER DEVELOPMENT AND TRAINING ACT TRAINEE TRANSPORTATION

JANUARY 21, 1965.

Attached is a copy of a letter from R. E. McLean, BIA area field representative, Nome, Alaska. It concerns committed funds for transportation of all Manpower Development and Training Act trainees and dependents.

All trainees currently attending the Manpower Development and Training Act demonstration project in Nome are assured return transportation. However, there are insufficient funds to bring in trainees from the outlying villages for the next two sections scheduled in the project.

Please advise.

BRANCH OF EMPLOYMENT ASSISTANCE,
Nome, Alaska.

Mr. ELI REYES,
Manager, Alaska State Employment Service, Box 161, Nome, Alaska.

DEAR MR. REYES: We have processed the transporattion requests received from your office yesterday in connection with the Alaskan natives enrolled in the Manpower Development and Training Act class on January 11, 1965, at the William E. Beltz Nome Vocational School. In accordance with established procedures we have committed funds for return transportation of all Manpower Development and Training Act trainees and those dependents whose transportation was requested.

There is now an uncommitted balance of $208.80 in the special account for transportation of Manpower Development and Training Act trainees in Alaska. This should be taken into consideration in recruitment of additional trainees or requests for transportation of dependents.

Sincerely yours,

R. E. MCLEAN,
Area Field Representative.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
JUNEAU AREA OFFICE,
Juneau, Alaska, January 25, 1965.

Mr. FRANK CASHEL,
Director, Employment Security Division, State of Alaska, Juneau, Alaska

DEAR SIR: Your Nome field office has been advised by letter (copy attached) that the $12,000 BIA allotment for supplemental assistance for transportation of Manpower Development and Training Act trainees now has an uncommitted balance of $208.80.

We have requested $15,004 subsistence funds for families and trainees in the Haines Manpower Development and Training Act trainees.

Twenty-five Alaska Manpower Development and Training Act courses have been approved by our central office, but our funds are not exhausted. We have requested $42,500 subsistence funds and $6,000 additional travel funds for Manpower Development and Training Act courses other than the one in Haines.

No word has been received from our central office as to availability of additional funds we have requested to supplement Manpower Development and Training Act payments.

Alaska BIA offices are being notified of this situation. You will probably want to make your field offices aware of this.

Sincerely yours,

R. E. TEX HOFFMAN,
Area Employment Assistance Specialist.

ATTACHMENT No. 7

BIA FUNDS FOR TRANSPORTATION OF MANPOWER DEVELOPMENT AND TRAINING ACT TRAINEES

JANUARY 25, 1965.

G. S. GISSBERG,
Assistant Director, E.S.:

Your memorandum regarding insufficient BIA funds for trainees' transportation to the Nome courses has been received. Attached is a copy of a letter from R. E. Tex Hoffman, BIA area employment assistance specialist, concerning the uncommitted balance of the $12,000 BIA allotment for supplemental transportation assistance.

The Bureau of Indian Affairs has requested additional funds for transportation of trainees to Manpower Development and Training Act courses. Until these funds are assured, however, we suggest that you do not obligate additional funds beyond the $208.80 balance. This does not stop your recruiting trainees who can be brought into the Nome courses within the 10-cents-a-mile Federal limitation.

We will keep you advised regarding funds for transporting trainees for the last two sections of the Nome courses.

(Attachment.)

FEBRUARY 26, 1965.

Senator ERNEST GRUENING,
U.S. Senate,
New Senate Office Building,
Washington, D.C.:

Projected extra amount of trainee transportation allowances Manpower Development Training Act funds required for Alaska in fiscal year 1966 is $15,935. This is based on probability of 250 trainees traveling to central training facilities in Nome and in Anchorage from remote villages where current Manpower Development and Training Act travel allowance ceiling is inadequate. Supplemental subsistence allowance payments necessary to assure minimum living standards for trainees from out of town is $43,750. This would enable the Manpower Development and Training Act program to provide adequate subsistence for 250 trainees who would be coming mainly to Anchorage and Nome from outlying villages for an average of 20 weeks' training.

ROBERT LEVY,
Employment Security Division.

Mr. BARTLETT. I want to point out that these difficulties are not unique to Alaska natives. They are encountered by all trainees, but the problem is most severe in terms of our native population. I hope that the Senate will agree that these people shall not be barred from training simply because they cannot afford it under present law.

Mr. PROUTY. Mr. President, I suggest the absence of a quorum. It will be a "live" quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll; and the following Senators answered to their names:

[No. 36 Leg.]

Aiken	Harris	Morton
Allott	Hart	Moss
Anderson	Hayden	Mundt
Bartlett	Hickenlooper	Murphy
Bass	Hill	Muskie
Bayh	Holland	Nelson
Bennett	Hruska	Neuberger
Bible	Inouye	Pastore
Boggs	Jackson	Pearson
Burdick	Javits	Pell
Byrd, Va.	Jordan, N.C.	Prouty
Byrd, W. Va.	Jordan, Idaho	Proxmire
Cannon	Kennedy, Mass.	Ribicoff
Carlson	Kennedy, N.Y.	Robertson
Case	Kuchel	Scott
Clark	Lausche	Simpson
Cooper	Magnuson	Smathers
Cotton	Mansfield	Smith
Curtis	McCarthy	Sparkman
Dirksen	McClellan	Stennis
Dominick	McGee	Symington
Douglas	McGovern	Talmadge
Eastland	McIntyre	Thurmond
Ellender	McNamara	Tydings
Ervin	Metcalf	Williams, N.J.
Fannin	Miller	Williams, Del.
Fong	Mondale	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Montoya	

Mr. MANSFIELD. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business.

The Senator from Texas [Mr. TOWER] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, is there an amendment at the desk?

The PRESIDING OFFICER. There is not, at the present time.

Mr. PROUTY. Mr. President, on behalf of the junior Senator from California and myself, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 17, line 4, strike out "each fiscal year thereafter", and insert in lieu thereof "the following fiscal year".

On page 17, line 9, strike out "each fiscal year thereafter", and insert in lieu thereof "the following fiscal year".

On page 17, line 14, strike out "each year thereafter", and insert in lieu thereof "the following fiscal year".

On page 17, line 19, strike out "each year thereafter", and insert in lieu thereof "the following fiscal year".

On page 18, line 21, strike out all after the colon and before the period, and insert in lieu thereof " '1967' ".

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. It is my understanding that the distinguished Senator from Pennsylvania [Mr. CLARK], the Senator in charge of the bill, made a request—which was granted—to include all the committee amendments.

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, has that action been consummated?

The PRESIDING OFFICER. The committee amendments were approved en bloc. The amendment of the Senator from Vermont is not in order unless he has unanimous consent.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill, as so amended, be considered as original text.

The PRESIDING OFFICER. Without objection, the bill, as so amended, will be considered as original text.

Mr. PROUTY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, first let me say that I am grateful to the majority leader for making it possible for me to offer this amendment. I was attending a policy luncheon, when I received a telephone call asking if I had objection to the committee amendments being considered en bloc. It did not occur to me at that time that I would be precluded from offering my amendment. Thanks to the distinguished majority leader, I am now permitted to do so.

Mr. President, this amendment provides for a 2-year program instead of one of 5 years duration. Originally, S. 974 contained provisions which would have made the program a permanent one. The bill as approved and reported by the committee provides for a 5-year program through fiscal year 1970. It is quite likely that the program will be continued for that period and beyond, if it can be demonstrated that it is achieving its basic objective. However, if our work on S. 974 at this session has shown anything, it has shown that much still remains to be done to make it an effective and efficient program.

It is the duty of Congress to see that the funds of the Manpower Development and Training Act of 1962 are spent wisely. Congress can perform this function only if there is a continuing review of the provisions of the act, and of the operations of the departments and agencies charged with the responsibility for its administration.

It is for this reason that I propose an amendment which would provide for a 2-year program. During this period, we would have an opportunity to reexamine the provisions of the act and its effectiveness. I have always considered it unwise for any committee to surrender to the Appropriations Committee its responsibility for determining the effectiveness with which a program, conceived by the committee, is being executed. This is particularly true with respect to the manpower development and training program, which is still in the experimental stage. The great Appropriations Committee does not have adequate time to develop the requisite expertise for the proper evaluation of such a program. Moreover, its responsibility is to recommend appropriations rather than to propose changes in existing statutes.

Therefore, Mr. President, it seems to me that the manpower development and training program should be subject to a continuous review and analysis by the Committee on Labor and Public Welfare; and that is the purpose of the amendment.

Let me point out that the sums involved or authorizations in the bill total $464 million for the next fiscal year. There would be an open-end authorization after fiscal year 1966. It seems to be in the interest of good legislation and sound legislative procedure that the committee should review this program and authorize funds at the end of the 2-year period.

Contention will be made, I am sure, that this would make it difficult, insofar as planning programs for the future is concerned. There is some validity to that contention, but certainly, inasmuch as the program is experimental, we do not know its effect yet, and we do not know how successful it will be.

It seems to me to be far better, instead of tying up a huge sum of money for a 5-year period, to review the program and see how it is getting along and how effective it is during the next 2 years. As I have suggested earlier, that is the entire purpose of my amendment.

I am supporting the program. I hope it will succeed. However, I believe we can make it a better program if we review it to see how it is functioning throughout the 50 States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. ELLENDER. Can the Senator tell us how many trainees have been actually trained?

Mr. CLARK. If I may be permitted to answer the question, I shall be glad to do so.

Mr. PROUTY. That information is contained in the report.

Mr. CLARK. If the Senator from Louisiana will look at page 2 of the committee report——

Mr. ELLENDER. I would like to have the information in the RECORD.

Mr. CLARK. It is shown in the report. One hundred and thirty-five thousand trainees are currently enrolled in the training programs. Training has been approved for almost 320,000 trainees. Another 60,000 individuals have been made more employable through special demonstration projects tailored to the needs of the persons involved.

Mr. ELLENDER. How much has it cost the Government?

Mr. CLARK. I will obtain those figures for the Senator.

Mr. ELLENDER. What was the cost per man?

Mr. CLARK. I point out that 72 percent of those completing institutional training have been placed in jobs. Ninety-four percent of those participating in on-the-job training have been placed in employment. As of December 31, 1964, the total amount obligated was $425,874,233.

Mr. ELLENDER. That money was spent to train how many trainees?

Mr. CLARK. Three hundred and twenty thousand trainees have been approved for training. Of those, 135,000 are currently enrolled in training programs. About 103,000 have completed training, either in classrooms or on the job. The average cost for training individuals has been $1,575 per individual.

Mr. ELLENDER. Does the Senator contemplate spending more in the future than was spent in the past?

Mr. CLARK. The Senator is correct.

Mr. ELLENDER. How much more?

Mr. CLARK. The authorization for fiscal 1965 was $411 million. Under the present bill, that authorization would be increased to $454 million.

Mr. ELLENDER. As I understand, after the coming year, there would be an open-end appropriation; it would be any amount that Congress wished to make it?

Mr. CLARK. No; the Senator is not correct.

Mr. ELLENDER. I am asking for information. I understood the Senator from Vermont to say that it would be an open-end appropriation.

Mr. CLARK. It becomes open end in fiscal 1967.

Mr. ELLENDER. In 1967?

Mr. CLARK. Yes.

Mr. ELLENDER. For the next 2 years it is limited to the specific amount named in the bill?

Mr. CLARK. For fiscal 1965 and 1966 it is so limited.

Mr. ELLENDER. Will the Senator tell us in what States most of the money was spent?

Mr. CLARK. I have before me a list of the amounts spent in each State, which I shall be glad to place in the RECORD for the benefit of the Senator from Louisiana. As I run my eye down the list, I note that the amounts spent which appear to be the largest amounts are $40 million in California, $31 million in Illinois, $24 million in Michigan, $38 million in New York, and $27 million in Pennsylvania. Those are the largest amounts, because those are the States with the largest number of people.

I ask unanimous consent that a compilation entitled "Data Cumulative Through December 31, 1964, State Summary," be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

State summary

[Data cumulative through Dec. 31, 1964]

State	Total approvals			Institutional			On the job			E. & D.		
	Projects	Trainees	Amount	Projects	Trainees	Amount	Projects	Trainees	Amount	Projects	Trainees	Amount
U.S. total	6,819	369,809	$425,874,233	5,274	284,696	$386,805,303	1,433	28,148	$16,622,293	112	56,965	$22,446,637
Alabama	47	6,819	7,014,663	43	6,364	6,706,482	1	60	69,157	3	395	239,024
Alaska	24	1,987	3,503,637	17	1,738	3,410,667	6	49	19,800	1	200	73,170
Arizona	82	2,657	3,612,772	53	2,229	3,214,206	26	213	247,349	3	215	151,217
Arkansas	81	1,922	2,060,627	63	1,796	2,000,396	18	126	60,231			
California	490	38,711	40,398,873	431	26,548	34,771,764	44	2,568	2,034,927	15	9,595	3,592,182
Colorado	66	3,647	5,234,922	59	2,527	4,133,084	5	320	154,743	2	800	947,095
Connecticut	185	12,457	5,375,213	157	9,973	3,880,344	23	204	276,113	5	2,280	1,218,756
Delaware	13	575	755,171	11	563	753,460	2	12	1,711			
District of Columbia	64	5,697	3,705,120	40	2,627	2,051,580	18	845	590,275	6	2,225	1,063,265
Florida	137	7,333	7,758,633	123	6,853	7,198,011	12	157	258,413	2	323	302,209
Georgia	93	5,380	8,166,616	65	4,602	7,740,521	27	653	407,305	1	125	18,790
Guam	2	85	222,857	2	85	222,857						
Hawaii	25	889	832,582	22	848	814,214	3	41	18,368			
Idaho	31	543	713,137	29	507	702,512	2	36	10,625			
Illinois	259	26,472	31,787,439	229	18,644	28,194,877	24	2,728	1,172,348	6	5,100	2,420,214
Indiana	131	8,735	12,541,110	108	5,879	11,837,229	20	406	293,283	3	2,450	410,598
Iowa	79	2,722	5,149,822	72	2,404	4,997,300	6	218	109,872	1	100	42,650
Kansas	97	2,899	5,753,915	82	2,748	5,692,130	15	151	61,785			
Kentucky	228	8,623	15,786,084	174	8,225	15,644,162	53	273	123,132	1	125	18,790
Louisiana	62	2,047	2,470,849	14	905	1,976,427	48	1,142	494,422			
Maine	103	4,597	3,229,616	96	4,535	3,184,699	7	62	44,917			
Maryland	70	4,950	4,715,195	44	2,667	4,121,162	21	118	80,682	5	2,165	513,351
Massachusetts	262	12,773	15,543,359	235	10,456	14,511,551	25	467	318,222	2	1,850	713,586
Michigan	388	14,905	24,912,227	270	12,738	23,947,892	113	1,067	472,171	5	1,100	492,164
Minnesota	133	6,925	10,788,644	70	6,349	10,547,893	63	576	240,751			
Mississippi	17	3,481	4,731,785	7	2,205	3,377,983	10	1,276	1,353,802			
Missouri	193	9,261	12,277,081	183	8,396	12,077,202	6	75	74,830	4	790	125,049
Montana	60	1,067	1,905,769	54	1,020	1,893,702	6	47	12,067			
Nebraska	57	2,866	5,197,374	50	2,769	5,182,507	7	97	14,867			
Nevada	52	2,411	2,947,396	49	2,111	2,939,857	3	300	7,539			
New Hampshire	65	2,107	1,479,840	47	1,914	1,426,350	18	193	53,490			
New Jersey	282	7,934	6,266,347	174	5,583	4,950,921	104	1,051	581,295	4	1,300	734,131
New Mexico	48	1,414	1,445,457	41	1,347	1,384,085	7	67	61,372			
New York	398	41,763	38,444,580	284	26,065	31,243,275	97	3,388	2,312,161	17	12,310	4,889,144
North Carolina	133	11,230	7,660,583	92	4,931	6,030,820	36	806	153,402	5	5,493	1,476,361
North Dakota	91	1,103	2,191,637	53	885	2,102,627	38	218	89,010			
Ohio	332	14,043	17,444,365	277	11,977	16,362,796	53	966	716,203	2	1,100	365,366
Oklahoma	57	5,887	5,997,416	56	5,812	5,910,725	1	75	86,691			
Oregon	70	4,581	5,696,999	60	3,949	5,323,353	9	132	86,726	1	500	286,920
Pennsylvania	356	18,050	27,763,488	271	13,935	26,198,740	80	1,125	652,248	5	2,990	912,500
Puerto Rico	372	8,767	5,892,657	256	6,476	5,295,591	116	2,291	597,066			
Rhode Island	39	1,185	1,701,078	37	1,173	1,689,701	2	12	11,377			
South Carolina	31	6,733	8,079,807	28	6,556	8,046,252	2	40	14,765	1	137	18,790
South Dakota	60	758	1,253,386	24	440	1,188,043	36	318	65,343			
Tennessee	117	5,633	7,404,751	99	4,795	7,043,362	16	396	232,504	2	442	128,885
Texas	266	7,906	8,696,749	180	6,521	7,784,797	86	1,385	911,952			
Utah	44	1,247	1,714,385	43	1,147	1,602,756	1	100	111,629			
Vermont	46	1,215	1,857,597	43	1,045	1,615,664	2	20	62,921	1	150	179,012
Virginia	118	4,933	5,747,607	91	4,421	5,440,566	24	104	32,211	3	408	274,830
Virgin Islands	28	499	248,538	28	499	248,538						
Washington	88	8,023	5,813,124	72	6,990	5,479,513	15	493	247,411	1	540	86,200
West Virginia	84	5,525	6,291,307	41	3,754	5,424,351	40	226	191,123	3	1,545	675,833
Wisconsin	125	5,369	6,907,970	103	4,781	6,541,982	20	376	289,433	2	212	76,555
Wyoming	38	468	782,077	22	379	743,824	16	79	38,253			

Mr. ELLENDER. I presume that there are a few States which are not taking advantage of the program. Is that correct?

Mr. CLARK. All 50 States are participating, including the Senator's State of Louisiana.

Mr. ELLENDER. I voted for the program last year.

Mr. CLARK. We were happy to have the Senator's support.

Mr. ELLENDER. I am hopeful of being able to vote for it again. However, as I said in the beginning, this is supposed to be an experimental program. I would be inclined to limit it to 2 years, instead of having it run for 4 years.

Mr. PROUTY. Mr. President——

Mr. ROBERTSON. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I yield.

Mr. ROBERTSON. What has been the approximate length of time of the training?

Mr. CLARK. If the Senator from Vermont will yield, the length of time has varied greatly, depending on the type of course which was given.

Under the bill we have extended the training from 52 weeks to 104 weeks. Under the ARA portion of the bill the training was confined to 16 weeks. A course for training a man to be a barber or to work in a dry cleaning estbalishment covered a relatively short period. The courses for complicated skills, such as electronics technicians, are very much longer.

Mr. ROBERTSON. I read an article in one of the Richmond newspapers which stated that some of the trainees, who were supposed to be graduates of these courses, were not competent to do what they were supposed to be trained to do. How long were they trained?

Mr. CLARK. Of course, I cannot answer the Senator's question, because I do not know the particular courses to which he refers.

Mr. ROBERTSON. On the average.

Mr. CLARK. What kind of training were they supposed to have received?

Mr. ROBERTSON. They were supposed to be trained. The Senator said the program has spent $1,575 to train each person to do something. The Richmond newspaper article stated that those who were supposed to be trained were not trained, and that they were not competent to do the work they were supposed to be trained to do.

Mr. CLARK. Unless the Senator can tell me the courses to which objection was made, I cannot answer the question. If a simple skill was involved, the course would probably run about 16 weeks. A more complicated course, would require longer.

Mr. ROBERTSON. Under the present bill, it could run from about 16 weeks to a year?

Mr. CLARK. Yes.

Mr. ROBERTSON. The average cost is $1,575; is that correct?

Mr. CLARK. The Senator is correct.

Mr. ROBERTSON. Would the trainees be trained longer under the pending bill?

Mr. CLARK. The new bill would extend the maximum training period for the quite complicated courses to 2 years. The minimum training period would be only for a few weeks.

Mr. ROBERTSON. What does the trainee receive while he has an opportunity to benefit from this training?

Mr. CLARK. He receives a training allowance, which is based, approximately, on the unemployment compensation paid in the State from which he comes.

Mr. ROBERTSON. The Senator is speaking so fast that I cannot follow him. How much does the trainee get?

Mr. CLARK. I shall speak more slowly. This is a complicated subject. The amount of the training allowance varies in each State. It depends on the approximate rate of unemployment compensation in the State. It is not an identical allowance. It is not identical with the unemployment compensation payment, but that is the key on which the amount of the training allowance is based.

Mr. ROBERTSON. I thank the Senator.

Mr. PROUTY. Mr. President, I believe I still have the floor. I believe the average training period has been approximately 32 weeks. I have had some concern with respect to the effectiveness of some of the programs. Therefore I have taken it upon myself to obtain some statistical information from my own State, which I have not yet had an opportunity to analyze. I have asked for the names of all the individuals who participated in the program, what they did before they participated, the income they received before they participated, their educational background, the jobs they received after the training, and what the chances are of their getting productive jobs.

I believe that information will be very helpful to me. Perhaps other Senators and Members of the House may wish to get that information in their own States. I wish to make sure that the program will work, that it is effective, and that it will achieve the objectives that we all want it to achieve.

I believe we must study the program and think about it carefully. That is why I think it wise to make it a 2-year program, rather than a 5-year program.

I have no doubt that our committee will find it worthwhile to continue it on a 2-year basis, but, on the other hand, we may conclude that it is necessary to make drastic changes in it, if it is to achieve its objectives.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. CLARK. Mr. President, if the Senator will yield to me, inasmuch as I am in charge of the bill, I would appreciate it if Senators would address their questions to me rather than to the ranking minority member.

Mr. LAUSCHE. The black book of the committee—if I may so describe it—shows a tabulation by States, and that shows the training allowances for regular trainees and for what are known as youth trainees. Do I correctly understand the rule to be that the amount paid to the regular trainees is equal to the unemployment compensation paid in the particular State?

Mr. CLARK. Except with respect to youth.

Mr. LAUSCHE. For example, in Pennsylvania, the amount is $30 a week for the regular trainees, and $20 a week for the youth trainees.

Mr. CLARK. The Senator is correct. The idea of the original bill was to put a ceiling on the number of youth who could be trained and rather drastically cut the trainee allowances, because it was hoped that the major impact of the program would be to train elderly workers who had lost their jobs and to restore them as breadwinners for their families.

Mr. LAUSCHE. Is the time limitation of the payments made to the trainees under the program in accord with the limitation of time in State statutes dealing with unemployment compensation?

Mr. CLARK. In most cases it would be far less.

Mr. LAUSCHE. Is it allowed to go beyond the limited number of weeks?

Mr. CLARK. No.

Mr. LAUSCHE. Looking at the chart to which we have been referring, in the State of Virginia $28 a week is paid for regular trainees and $19 a week for youth.

Mr. CLARK. The ceiling on youth is $20. They can go below the ceiling in cases in which the State laws are not adequate to provide the full $20 allowance.

Mr. LAUSCHE. With regard to my own State of Ohio, the table shows that the regular trainees would receive $38 a week and the youth trainees would receive $20 a week.

Mr. CLARK. The Senator is correct.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that there be printed in the RECORD the tabulation to which we have referred, showing the amounts in the 50 States that are allowable for payment to the regular trainees and, in a separate class, the amounts paid to the youth trainees.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPENDIX A—MANPOWER DEVELOPMENT AND TRAINING ACT HANDBOOK, CHAPTER VI

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED, OPERATING PROCEDURES FOR PAYMENT OF ALLOWANCES

Schedule of training allowances amounts—Payable for weeks beginning in quarter, January–March 1965

State	Regular training allowances	Youth training allowances
Alabama	$26	$18
Alaska	39	20
Arizona	35	20
Arkansas	27	19
California	44	20
Colorado	43	20
Connecticut	37	20
Delaware	41	20
District of Columbia	38	20
Florida	27	19
Georgia	29	20
Guam	40	20
Hawaii	40	20
Idaho	33	20
Illinois	37	20
Indiana	32	20
Iowa	30	20
Kansas	38	20
Kentucky	32	20
Louisiana	31	20
Maine	24	17
Maryland	34	20
Massachusetts	39	20
Michigan	39	20
Minnesota	29	20
Mississippi	25	18
Missouri	33	20
Montana	31	20
Nebraska	32	20
Nevada	39	20
New Hampshire	32	20
New Jersey	40	20
New Mexico	30	20
New York	39	20
North Carolina	24	17
North Dakota	36	20
Ohio	38	20
Oklahoma	27	19
Oregon	34	20
Pennsylvania	30	20
Puerto Rico	18	14
Rhode Island	31	20
South Carolina	28	19
South Dakota	30	20
Tennessee	27	19
Texas	30	20
Utah	37	20
Vermont	33	20
Virginia	28	19
Virgin Islands	21	16
Washington	33	20
West Virginia	24	17
Wisconsin	44	20
Wyoming	38	20

Mr. LAUSCHE. In addition to the payments that are related to the unemployment compensation provided by States, are there any other amounts contemplated to be paid under the pending bill to the trainees?

Mr. CLARK. Yes; under certain circumstances transportation allowances would be paid to permit trainees to go from their homes to the places where the courses are being conducted. Those amounts would be allowed.

Mr. LAUSCHE. Would there be any limitation on the distance that the trainees would be allowed to travel and the amounts that they would be allowed to be paid?

Mr. CLARK. Ten cents a mile is the limit in relation to all States except

Alaska and Hawaii. In the cases of those two States, because of the peculiar size and distance around the Alaskan mainland, and the need to travel by airplane to get around the Hawaiian Islands, the allowance is higher.

Mr. LAUSCHE. I should like to refer to the Senator's own city of Philadelphia. What is the maximum distance that a trainee would be allowed to travel to and from his training headquarters and receive 10 cents a mile for that travel?

Mr. CLARK. That would depend largely on the kind of courses offered. For example, if a pretty technical course is involved, such as training a man as an electronic technician, it would be quite difficult to set up more than two or three such courses within the State of Pennsylvania The distance a trainee would be permitted to travel would naturally be greater. If the kind of training course involved were such that it could be set up just as well in Lancaster, Reading, or Pottstown, the transportation allowance would naturally be less. The Secretary of Labor is given discretion to determine that amount.

Mr. LAUSCHE. Does the 10-cent-a-mile transportation allowance mean that each day the trainee would be paid the aggregate amount equal to the mileage times 10 cents?

Mr. CLARK. That would be correct. The committee has recommended that the Department of Labor adopt regulations specifying that commutation allowances be paid only for the least expensive form of transportation reasonably available to trainees.

Mr. LAUSCHE. In a hypothetical case, would any consideration be given, let us say, to a person who might have to travel forty miles, which would mean a $4 allowance for going to the place of training 40 miles away and the return trip, which would permit another allowance of $4?

Mr. CLARK. The Senator is correct. I am not as familiar as perhaps the Senator is with respect to the cost of gasoline or the wear and tear on a jalopy to make that sort of trip. The figures which the Senator has mentioned would not seem to be particularly high.

Mr. LAUSCHE. In addition to the travel allowance of 10 cents a mile, what other compensation is payable?

Mr. CLARK. Where the distance which the trainee has to go to reach the course is so far that it would not be economical for him or for the Government to pay the commutation allowance, there is a ceiling of $5 a day for subsistence at the place at which the course is being conducted.

Mr. LAUSCHE. That is, as a substitute for travel each day, the trainee would be allowed to stay at the site where the training is being given and he would be allowed $5 a day for subsistence?

Mr. CLARK. The Senator is correct.

Mr. LAUSCHE. Would any other compensation be provided under the bill?

Mr. CLARK. Yes. The trainee would be allowed an additional $5 a day for each dependent over two up to six. That would make it possible for the head of a large family to be able to leave his family in order to take the training course without, in effect, putting his family on relief.

Mr. LAUSCHE. That is, if there are four children, the trainee would receive $5 for each child.

Mr. CLARK. A trainee with four children would receive $10 for their subsistence while he was taking the course. If he had six children, he would get $40. If he had only two children, he would not get anything.

Mr. LAUSCHE. That is $40 a week——

Mr. CLARK. Five dollars a week per dependent.

Mr. LAUSCHE. So if there were four children, the amount would be $20.

Mr. CLARK. That is correct. The children must be dependent; they cannot be working.

Mr. LAUSCHE. So, first, there would be a payment which would be equal to the unemployment compensation; second, there would be a travel allowance; third, there would be the substitute of subsistence pay for possible travel allowance; fourth, there would be payment for dependent children.

Mr. CLARK. Over two children.

Mr. LAUSCHE. Would there be any other payment?

Mr. CLARK. No.

Mr. LAUSCHE. Would a trainee lose his right to unemployment compensation which he might be receiving under the normal laws of the States while he was receiving the training?

Mr. CLARK. Yes. He cannot double up.

Mr. LAUSCHE. He cannot double up?

Mr. CLARK. That is correct.

Mr. LAUSCHE. Has the Senator in his records information showing the largest sum that it has cost the Federal Government for the training of one trainee?

Mr. CLARK. We do not have that information readily available. However, the average per trainee is $1,575. I suppose we could make some sort of computation based upon the highest training allowance in any State, which is California—$44—and multiply that figure by the longest course given in California for which training allowances could be taken.

We could add to that the institutional cost, which is substantial. That is, the setting up of a course. We could add to that the subsistence allowance or the commutation allowance, as the case might be, but we have not done that.

Mr. LAUSCHE. For example, in California the figure would be 52 times $44.

Mr. CLARK. If there were such a course in California lasting for a year—and I do not know whether there was or not—that would be the maximum.

Mr. LAUSCHE. It would be 52 times the weekly pay plus the other allowances which we have discussed.

Mr. CLARK. Yes. But I point out to the Senator that if we make that computation in our heads, we would see that the cost in this instance would be a great deal higher than the average. I do not really know whether there is a course lasting that long in California. I am inclined to doubt it, but I cannot be sure.

Mr. LAUSCHE. I hope the Senator from Pennsylvania will pardon me for trying to obtain this information.

Mr. CLARK. Yes. The Senator's questions are most useful.

Mr. LAUSCHE. How are training centers established? Does the bill provide for what are known as community operations, such as have been provided in recent bills that have been passed?

Mr. CLARK. The usual, but not the exclusive, procedure is to have the Department of Labor determine through the local employment service whether there is a market in the neighborhood for the skills which could be the subject of a training course. The employment service must determine that there is a reasonable prospect that if that kind of course is given, the graduates of the course will find employment.

Having made that determination, the employment service proceeds to establish the course, usually, but not always, through the local vocational or technical school, and sometimes through an on-the-job training procedure.

Mr. LAUSCHE. I thank the Senator.

Mr. ROBERTSON. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield to the Senator from Virginia.

Mr. ROBERTSON. I am disturbed about the great need in industry for skilled workers, of which there is a big shortage. As I understand, the program is not supposed to be a boondoggle, designed merely to support someone who is unemployed. The purpose is to train persons to fill jobs in which there is a need for skilled workers, and to train others to take jobs they have not been able to obtain because they could not previously qualify for them.

Suppose a worker is being trained for a certain skill in which he needs training. If he is an intelligent person, he should be qualified to receive such training.

Let us consider the allowances. Suppose a man has six children, he receives, as I understand, $40 a day.

Mr. CLARK. Twenty dollars a week. Five dollars a week for each dependent in excess of two, for a maximum of $20.

Mr. ROBERTSON. If he lives 40 miles away, he gets $8 a day in travel expenses, does he not?

Mr. CLARK. No; 10 cents a mile.

Mr. ROBERTSON. Eighty miles at 10 cents a mile calculates to $8.

Mr. CLARK. If he lived that far away, he would probably be required to live where the course was given.

Mr. ROBERTSON. Does he not get $5 a day for subsistence?

Mr. CLARK. As a substitute for commutation.

Mr. ROBERTSON. And $30, $40, or $50 a week as unemployment compensation?

Mr. CLARK. Not in the State of Virginia.

Mr. ROBERTSON. No; we have one of the lowest rates; perhaps it is not high enough.

These people are not being trained for jobs in Virginia; they are being

trained for jobs in areas where higher rates are paid.

I am trying to figure how much a man would be paid in a job where his skill was needed. Anywhere from $6,000 to $10,000 has been put behind one man.

Mr. CLARK. I am afraid the Senator is in error in that regard.

Mr. ROBERTSON. There are 500 categories of training, including the training of maids for downstairs work and the training of maids for upstairs work.

Mr. CLARK. The average long run institutional course cost $1,575 per trainee. If we take the California rate for 52 weeks, which is $44 a week, we arrive at a figure of $2,288 as the cost of a trainee. That is substantially higher than the cost in Virginia. The California rate is the highest one can get.

Mr. ROBERTSON. After a man has been trained to qualify to take a job in which there is a need for a skilled worker, is he under obligation to go to work, or can he go back and be placed on relief again?

Mr. CLARK. All I can say is that 72 percent of those who have received institutional training have been placed in jobs, and that 94 percent of those who have received on-the-job training have been placed. The Senator's philosophy in this sort of matter is understandably quite different from my own. I should not think there would be many American citizens who would spend a year on such a training course and then go back on relief, when by taking jobs they could earn two or three times as much money.

Mr. ROBERTSON. One would think so; but the experience in Virginia has not been a happy one. Some would not work at all. Others would not work when they were certified as being trained. I wonder how the program worked in other States, where the weekly unemployment compensation is double or more than that of a relatively poverty stricken State.

Mr. CLARK. I speak only for Pennsylvania. The experience there has been a happy one. The testimony of the Secretary of Labor before the subcommittee has been very happy, too.

Mr. ROBERTSON. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. CLARK. I am happy to yield.

Mr. LAUSCHE. The bill recommended by the committee covers a 5-year period; does it not?

Mr. CLARK. Yes; it runs to June 30, 1970. The bill recommended by the House committee—it has not yet passed the House—would run until June 30, 1968.

Mr. LAUSCHE. I believe that some Senators gained the impression from the remarks of the Senator from Louisiana [Mr. ELLENDER] that the committee bill does not have any open-end authorization whatsoever.

Mr. CLARK. No, that is not correct. After June 30, 1966, the authorization is open end.

Mr. LAUSCHE. There will be 4 years of open-end authorization?

Mr. CLARK. The Senator is correct.

Mr. LAUSCHE. May I ask the Senator from Vermont a question? What does his bill provide with respect to the length of coverage?

Mr. PROUTY. Two years.

Mr. LAUSCHE. Is the second year open end?

Mr. PROUTY. The second year is open end.

Mr. CLARK. Mr. President, so far as I am concerned, I am ready to vote.

Mr. JAVITS. Mr. President, I should like to be heard

Mr. CLARK. I yield to the Senator from New York.

Mr. JAVITS. I should like to have the floor in my own right.

Mr. CLARK. I yield the floor.

Mr. JAVITS. In committee, we discussed what had been done by the House committee on this subject when we discussed what was to be done by the Senate. I would not take the time of the Senate except that I have not heard discussed the reasons why we acted as we did.

On the previous occasions we have considered this program, we have always planned for a 3-year period for the program. When we enacted it in 1962, we gave it until 1965 to run. When we considered it again in 1963, we added on a year in order, again, to give the program 3 years.

We are in much the same situation now. We are looking forward to a period of extension for the program. My colleague's amendment, of which he gave full notice to the committee, would reduce it below the period of extension the committee had contemplated.

This is the first time we are heading into a matching period. We have heretofore not had matching. We have talked about it, and the law, if it remains as it is, will call for it. If we pass the bill we shall not have matching until June 30, 1966; so if we get only a 2-year period, we shall have only 1 year for matching.

I believe the testimony is conclusive that the States will not consider it worthwhile to line up teachers and make provision in their budgets for a matching program with the possibility that the program will run for only a year. I should like to refer to the testimony of the head of the vocational education program in Ohio, because the Senator from Ohio [Mr. LAUSCHE] raised such a question. I refer to page 112 of the hearings, at which Dr. Shoemaker, really calling for a permanent program, said:

> If this becomes a permanent act I will provide a continuing teacher-education program for these teachers we are having to pull in from industry. At the present time, I cannot afford to.

In short, if we really expect to have the States plan their programs intelligently and effectively for matching, it is necessary to provide a reasonable term of years for the program.

The House committee has provided for a 3-year extension. We could have provided 3, 4, or 5 years. We must still go to conference.

I believe that to cut it down to 2 years would be to cut it too close, considering what we need to do and what we wish to encourage industry to do. This is a critically important program. It is easy in this body to get into a discussion in detail and forget the forest for looking at the trees.

Two million people are changing jobs every year because of automation, if our country is really to do the productive job that it must do. And we have almost 5 million endemically unemployed. This is about the only solid job training program at the Federal level that seeks to deal with both issues, and even here we are at the most training somewhere in the neighborhood of 400,000 to 500,000 people. If that is what we are to do—and that is little enough—American industry ought to be enlisted to do four times that much—at least we ought to give the plan a decent opportunity. If we really want matching—and we do, and I say this very deeply as a member of the minority—let us give the States a chance to plan ahead so that they will really match instead of thinking that the bill is only for a year, and that perhaps it will not call for matching. Otherwise the States would say, "Let us forget about it and see what Congress does."

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, when would the matching requirement become effective under the existing law?

Mr. JAVITS. June 30, 1965, if the bill is not passed. June 30, 1966, if the bill is passed.

Mr. CLARK. Mr. President, we shall be ready to vote within the next 5 minutes.

I oppose the pending amendment, which is proposed by a large majority of the committee.

SENATE 974, MANPOWER DEVELOPMENT AND TRAINING ACT AMENDMENTS

The Manpower Development and Training Act was originally established for a 3-year period. It was considered that this would allow sufficient time to gain experience with this new undertaking and to assess the value of Federal manpower training programs.

The program has since reaffirmed the belief of Congress that it would become a vital link in the measures then being considered, and many since enacted, for alleviating the problems of unemployment and poverty. The Manpower Development and Training Act is unique—and unlike subsequent legislative action such as the Vocational Education Act of 1963 and the Economic Opportunity Act of 1964—in that it is geared to the needs of the individual by providing allowances for the support and maintenance of himself and dependents during the training period. This act meets needs not possible under other legislation—either Federal or State.

Temporary legislation creates havoc with the States in planning operations for a program of this type. Uncertainty of continuing legislation results in a stopping and starting of program emphasis with decreased enthusiasm for the program. For example, some States began to phase out their Manpower Development and Training Act operations

during the latter months of 1963 when matching under the original act would have commenced July 1, 1964. The States have contended that they cannot spend their resources in long-range planning because of the uncertainty of continued Federal assistance. They claim and reasonably so, that the terminal aspect of the Manpower Development and Training Act is a major psychological deterrent to planning long-range goals.

Many examples have been brought to the attention of the Departments of Labor and HEW of the frustration and disheartening effect of indecision on the part of the Federal Government as to whether Manpower Development and Training Act will continue at all, and if so whether the States will have to match funds to assure continued participation.

The States have frequently expressed the hope that the Manpower Development and Training Act would be continued for a period sufficient to make a major impact on unemployment problems.

The administration sent down with an open-ended bill to make the program permanent. It is felt, and I personally agree with them, that the experience we have had since the act was initially passed has taken the program out of the demonstration category and placed it into a situation, as indicated by the report, in which the program has been proven a success, and further experimentation is not necessary. It was felt the part of wisdom by the chairman of the Committee on Labor and Public Welfare [Mr. HILL] that we should put a termination date in the bill in order to come somewhere within reasonable limits of what the House had done for purposes of conference.

Therefore, we wrote in the provision that the program would terminate June 30, 1966. The House approved a bill which would terminate the program on June 30, 1968. It is highly conceivable that as we go through the program, we shall reach an agreement with the House.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HOLLAND. I understand the situation with reference to the time covered by the bill. I congratulate the chairman of the subcommittee and the chairman of the full committee. The thing that I do not understand is the necessity for leaving the appropriation authorization an open ended one for every year after the first year of the extended period of 4 years.

Mr. CLARK. Mr. President, the explanation is largely historical. The bill came from the administration open ended all the way. At the suggestion of the minority members of the committee, and particularly the ranking minority member, the Senator from Vermont [Mr. PROUTY], we placed definite limitations in for the earlier period. No member of the committee suggested that we should go further than that.

Mr. HOLLAND. Mr. President, may I ask why the committee did not put definite limits upon the authorized appropriation for the second, third, and fourth year?

Mr. CLARK. That was occasioned because in the judgment of the large majority of the committee—in fact, in the unanimous judgment of the committee—it was not desirable to do so. We have many open-ended programs, as the Senator well knows.

Mr. HOLLAND. Mr. President, I do not know of any open-end programs. I cannot remember all of the programs. But I do recall many that are really experimental and new in their nature which have an open-ended policy of this kind. As I read the five original authorizations for the various fiscal years, they are $46 million, $385 million, $22 million, $1 million, and I believe there is one other. I believe, if I am correct, each of those authorizations was left open-ended for the period after the first year.

Mr. CLARK. The Senator is correct. The reason is that we hope that with 100-percent Federal grants and all of the States coming in enthusiastically, as we are informed they will, and as we have been advised by the Governors, in the majority of the industrial States, where the program has its principal impact, the program will continue to grow until there are a good many times the number of trainees that we have today. If we were to have a ceiling for the succeeding years, it would be very difficult indeed for the program to grow.

Mr. HOLLAND. It is not true that under the bill, the date for carrying the program exclusively by Federal funds is extended?

Mr. CLARK. The Senator is correct.

Mr. HOLLAND. For what period of time?

Mr. CLARK. One year.

Mr. HOLLAND. Until what date?

Mr. CLARK. June, 1966.

Mr. HOLLAND. Mr. President, if the program has been such a success, as I understand some of the members of the committee feel, why is it that States have been unwilling to handle their matching part of this fund under the existing loans?

Mr. CLARK. That is a question which concerned the committee and the Secretary of Labor very much. Telegrams were sent to every State Governor asking whether they would support the 90–10 matching, as provided in the bill as introduced. Responses were received from some 35 States. Not one State indicated any desire to see the 50–50 matching of the present act retained. Every single State supported the program as being useful and helpful. The States requested that they join with the administration in continuing the program on the basis of the Federal Government paying the overwhelming amount of the cost.

This is a typical example of what I have found in domestic program after domestic program in the years since I came to the Senate. Primarily because of the fiscal limitation and the great strain put on the State financing, as the Senator well knows, State debt has tripled since World War II. Sales taxes, wage taxes, and every other conceivable kind of tax has been passed by State after State until it has become almost impossible to obtain additional tax revenue for any State purpose.

This has called for other programs and made it impossible in the eyes of the administration and I think I can say in the eyes of the entire committee—to do anything other than to make this a 100-percent Federal program in the long run.

I ask my friend from Vermont to confirm what I have just said.

Mr. PROUTY. I call attention to the sentence in the report on page 6 which indicates that the 90–10 basis will be continued. I read this sentence:

> The committee does not expect any further review of the matching provisions of the act will be necessary and considers the matching provisions as reported to be final.

These will be 100-percent Federal matchings so far as allowances are concerned, but a 90–10 basis as far as the cost of the program is concerned.

What the senior Senator from Pennsylvania has said with respect to the ability of the States to participate is very true. Many have not the wherewithal to do it.

In answer to the question raised by the Senator from Florida, I point out that it is literally impossible for the committee to indicate a stated authorization fund over a period of the next 5 years. We do not know what it is going to cost. There may be drastic changes which should be made in the program. Perhaps we can reduce it substantially. Perhaps it will have to be increased. That is why I believe a 2-year authorization is desirable. My purpose is not to cripple the program, but to sustain the program.

If the States feel that the program is working successfully, they are going to be much more enthusiastic. There may be an overlapping of jurisdiction. This proposal gives Congress an opportunity to review the program.

Mr. CLARK. Will the Senator agree with me that he is very hopeful, as I am, that this program will be substantially expanded so that a great many more people will be trained and available for useful jobs?

Mr. PROUTY. I agree. I want to be sure we are doing the right thing.

Mr. CLARK. May I say to the Senator from Florida that, speaking for myself alone, I would rather have $9 of Federal money go into a program to supply jobs than have $9 of Federal money spent for every dollar of State money in the highway program, because we are dealing with human beings, and not with concrete highways in which people can run into the traffic jams in our metropolitan areas. Here is a 90–10 program that has received overwhelming support.

Mr. HOLLAND. I noted that a great proportion of the Appalachia program was devoted to the construction of roads.

Mr. CLARK. Much to my regret. In future years that emphasis should decline.

Mr. HOLLAND. The Appalachian program I was glad to support, because it singled out areas which were distressed and depressed. It was limited to that and limited in time. In my opinion, that is the way to plan a program.

I am perfectly willing, though my State is not one of heavy unemployment,

to go into this particular program for a reasonable period. I regret that this open-ended authorization prevailed for the last 3 or 4 years in the program. I am not clear whether it is 3 or 4 years, because one Senator referred to it as a 4-year program and another Senator as a 5-year program.

Mr. CLARK. I can clarify that. It is said to be a 5-year program because the program under the existing legislation expires on June 30, 1966. The bill would extend it for 4 years, to June 30, 1970. That is 5 years from now.

Mr. HOLLAND. I thank the Senator for clearing that question up.

Let me complete my point. Apparently we cannot close off the open-end appropriation, and I dislike that very much, because from my long service on the Appropriations Committee I find it causes trouble every year when there is an open-ended authorization, because there is no check, and different areas and different bureaucrats are pulling for different amounts. It always causes reconsideration of the legislation in the Appropriations Committee.

I agree with the Senator from Vermont in his earlier statement that that is not desirable or advisable. I shall vote for the 2-year limitation. I would much prefer if we could have not only a shorter period, but a limitation which is meaningful; but since this measure appears in large part to areas in which there is unemployment and distress and need for manpower training, I hope we can write a bill in such form that we can support it, because, like the Appalachia bill, it is very much needed. I am sure it is different from other bills which have been passed with the same kind of relief in view. For instance, the ARA bill was for 1 year, or perhaps it was extended to a 2-year program. If we put this bill on a 4-year basis at this stage, it is unfortunate and is not the kind of thing that commends the full confidence of many Senators who represent areas where there is not large unemployment and where the bill would not apply in very great measure.

I thank the Senator for yielding to me. I hope we can arrive at a bill in such form that it can be passed unanimously.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. PASTORE. I have been listening to what has been said by the Senator from Florida. The Senator should be assured that Congress will have an opportunity to look at the issue in the appropriation committees. I know of no group in the Congress of the United States, whether it be in the House or in the Senate, that is more careful, cautious, or conservative than members of the Appropriations Committees. We must be sure they are that way before they are assigned to those committees. I have every confidence that this program will be scrutinized very carefully every single year and that not one single penny will be wasted.

The Hill-Burton Act provides for $250 million a year. I know of no worthier program than the Hill-Burton Act. I am glad that my good friend, who was really the genesis of this act, is in the Chamber at the present time. For as long as I remember, in the Appropriations Committee we have never once appropriated the full amount authorized.

I believe that members of the Appropriations Committees of the House and of the Senate will view very carefully what the situation is at that time, and that no one need have any fear that this money will be squandered.

Mr. CLARK. I thank the Senator. What my friend has said is completely correct. I point out that when this program first got underway, we were unable to obtain an initial appropriation because the Appropriations Committee could not devote sufficient time to studying it. The act was passed, but we did not receive any appropriation until the succeeding winter. I point out that the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare has a deep sense of its responsibility for continuing this program. We have required the President to file an annual report on the manpower retraining program, in terms of statistics and justifications, as to just what has been done and what needs to be done. That report for the past 12 months has been submitted within the last couple of weeks.

The manpower report will be the subject of hearings before the Subcommittee on Employment. We intend to call the Secretary and his principal assistants to assure ourselves, as a part of our oversight function, that we stay on top of the program from a legislative point of view.

Therefore, I say to my friend the Senator from Rhode Island [Mr. PASTORE] that I am sure that he will receive most meticulous consideration of whatever sum the Bureau of the Budget approves when the request for appropriations for the administration of the act comes before us.

Do not forget that there is the initial check on the Bureau of the Budget before the program ever reaches Congress. But, regardless of what the Appropriations Committee does, I can pledge on behalf of myself and the ranking minority member, the Senator from Vermont [Mr. PROUTY], that we will keep on top of the program, whether or not there is a dollar authorization in the bill.

Mr. HOLLAND. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. HOLLAND. I wish to express appreciation for the great confidence the Senator from Pennsylvania expresses in the Appropriations Committee. I am wondering why that confidence was not extended in the first year, when the Senator opposed the limitation.

Mr. CLARK. I am sure the Senator will agree with me that perhaps this colloquy has gone far enough. I am quite happy to have him have that last word. I am prepared to vote.

Mr. PROUTY. Mr. President, will the Senator from Pennsylvania yield briefly?

Mr. CLARK. I yield.

Mr. PROUTY. It is unfair to expect that of the Appropriations Committee. It is a great committee composed of dedicated Senators and Members of the other body, but they do not have the time to check into the various facets of the program, or other programs. Those of us on the Committee on Labor and Public Welfare admit that this is an experimental program. We do not have all the answers. Someone interested from an administrative standpoint in the program told me, only day before yesterday, that they did not have all the answers. It is unfair to expect the Appropriations Committee to attempt to write legislation which, under the rules, it is not permitted to do. It can come forward with a dollar allotment, but it may find that some of the programs should be abolished and therefore should not need any money. There may be other new programs which will be more effective.

That is why I believe we should cut the program down to a 2-year program, with the understanding and the hope that it will be continued and expanded many years into the future. That is all that I am trying to do.

Mr. CLARK. But without, I take it, a definite dollar authorization after the first year, as the Senator from Vermont has so eloquently stated.

Mr. PROUTY. I do not know what the proper figure should be, at the present moment.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield for purposes of information and not a question?

Mr. CLARK. I yield.

Mr. LAUSCHE. What does the Senator define a "youth trainee" to be? Let us assume that a boy drops out of school at 15 years of age. Can he enlist in this program and become a beneficiary of the compensation?

Mr. CLARK. In the first place, the ceiling on the youth program is 22 years. The floor is 17 years.

Mr. LAUSCHE. The floor is 17 years. That covers a dropout from a normal school. Such a dropout could enlist in this program?

Mr. CLARK. He could. But, let me say to the Senator from Ohio that we on the committee—and the administration also—would not accept a school dropout if there were any indication that he could be persuaded to return to school and complete his education. He has to be out of school 1 year before he can qualify.

Mr. LAUSCHE. The dropout has to be out of school for a year.

Mr. CLARK. This is in order to eliminate the inducement that he might quit school—when he should stay there—and get a training program.

Mr. LAUSCHE. After he is out of school 1 year, he could enlist and receive a maximum of $20 a week?

Mr. CLARK. The Senator is correct.

Mr. LAUSCHE. In addition to the $20 a week, could he become a beneficiary of the transportation contributions?

Mr. CLARK. Experience has shown the desirability of bringing more school dropouts and more unemployed youth into the program. In many instances, they came from families where it was impossible for them to continue their maintenance, unless they received train-

ing allowances. Thus, transportation and subsistence allowances are permitted for youth under the program.

Mr. LAUSCHE. Is there any duplication in the program with the war on poverty—the economic opportunity program?

Mr. CLARK. Yes. The program is used by the Office of Economic Opportunity as one of its tools. It operates side by side with the domestic Job Corps, but obviously is of a somewhat higher level in terms of the training which will be given. The two are complementary. They do not overlap.

Mr. PELL. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. PELL. I rise to support the chairman of the subcommittee, the Senator from Pennsylvania [Mr. CLARK], to congratulate him on the indefatigable work that he has done to bring this legislation to fruition, and his lucid explanations.

In my State, we have a Governor of a different political persuasion from that of the Senator from Pennsylvania and I, but I know that he also has expressed the hope that this program would continue, although he is not generally a supporter of the intervention of the Federal Government in the States.

If the Federal Government did not keep up its support, the whole program would have the props knocked out from under it.

Mr. CLARK. I thank the Senator from Rhode Island [Mr. PELL] for his support.

Mr. President, I hope the amendments will be defeated.

Mr. MILLER. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. MILLER. I should like to ask the Senator from Pennsylvania whether the prohibition against anyone coming into the program until a year after he has dropped out of school is a matter of law or an administrative regulation?

Mr. CLARK. It is a matter of law, approved by Congress in the 1963 amendments, as a result of the strong feeling by some of my friends across the aisle that otherwise the program would become a boondoggle.

Mr. MILLER. This was not, then, in the original act?

Mr. CLARK. It is contained in the 1963 amendments.

Mr. MILLER. I thank the Senator.

Mr. CLARK. Mr. President, I hope the amendments will be defeated.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Vermont [Mr. PROUTY] and the Senator from California [Mr. MURPHY]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I further announce that the Senator from Connecticut [Mr. DODD], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business.

The Senator from Texas [Mr. TOWER] is necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Texas [Mr. TOWER] and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 35, nays 49, as follows:

[No. 37 Leg.]

YEAS—35

Aiken	Ellender	Morton
Allott	Ervin	Mundt
Bennett	Fannin	Murphy
Boggs	Fong	Pearson
Byrd, Va.	Hickenlooper	Prouty
Carlson	Holland	Robertson
Cooper	Hruska	Scott
Cotton	Jordan, Idaho	Simpson
Curtis	Kuchel	Smith
Dirksen	Lausche	Thurmond
Dominick	McClellan	Young, N. Dak.
Eastland	Miller	

NAYS—49

Anderson	Jackson	Muskie
Bartlett	Javits	Nelson
Bass	Jordan, N.C.	Neuberger
Bayh	Kennedy, Mass.	Pastore
Bible	Kennedy, N.Y.	Pell
Burdick	Magnuson	Proxmire
Byrd, W. Va.	Mansfield	Ribicoff
Cannon	McCarthy	Smathers
Case	McGee	Sparkman
Clark	McGovern	Stennis
Douglas	McIntyre	Symington
Fulbright	McNamara	Talmadge
Gore	Metcalf	Tydings
Harris	Mondale	Williams, N.J.
Hart	Monroney	Yarborough
Hill	Montoya	
Inouye	Moss	

NOT VOTING—16

Brewster	Johnston	Saltonstall
Church	Long, Mo.	Tower
Dodd	Long, La.	Williams, Del.
Gruening	Morse	Young, Ohio
Hartke	Randolph	
Hayden	Russell	

So the amendments offered by Mr. CLARK and Mr. MURPHY were rejected en bloc.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The bill is open to further amendment.

Mr. PROUTY. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 18, line 14, it is proposed to insert "(a)" after "SEC. 16.".

On page 18, between lines 18 and 19, it is proposed to insert the following:

(b) Section 309(a) of such Act is further amended by adding at the end thereof the following new sentence: "On and after the date any such report is submitted, the Secretary of Labor shall, at the request of any interested committee of the Senate or the House of Representatives (or any duly authorized subcommittee of any such committee), appear before such committee or subcommittee (personally or through his representative) to discuss or explain any matter which is, or is authorized to be, contained in such report."

(c) Section 309(b) of such Act is further amended by adding at the end thereof the following new sentence: "On and after the date any such report is submitted, the Secretary of Health, Education, and Welfare shall, at the request of any interested committee of the Senate or the House of Representatives (or any duly authorized subcommittee of any such committee), appear before such committee or subcommittee (personally or through his representative) to discuss any matter which is, or is authorized to be, contained in such report."

Mr. PROUTY. Mr. President, my amendment provides for annual reports by the Secretary of Health, Education, and Welfare and the Secretary of Labor. It provides further for the appearance before the Committee on Labor and Public Welfare, at the committee's request, of the Secretaries or their representatives to discuss the matters contained in the anual report submitted by them.

My main concern about the Manpower Development and Training Act is that much remains to be done to make the program operate at peak efficiency. Our committee has the duty to see that this goal is met. In order to do that, however, we must be informed and up-to-date on the operations of the act. We can do this only through frequent reports, and, indeed, through discussions with the administrators of the program.

I think it is well to place the language of my proposed amendment in the bill which we are considering. Certainly we can request the Secretaries to appear before the committee at any time. But, having this proposal in the bill will make certain that all parties expect an annual hearing on the operations of the Manpower Development and Training Act. In that way, it seems to me, we will assure the best possible review of an effective, efficient manpower development and training program.

Mr. CLARK. Mr. President, I would hope that the amendment would be withdrawn or even defeated on a voice vote. The purpose of the amendment is to tell the Committee on Labor and Public Welfare of the Senate to do what it would do anyway, which is to call the Secretary or Labor and the Secretary of HEW and ask them about the annual report which they are required to file. That course would be the standard operating procedure of any standing committee of the Senate. I believe my friend the distinguished Senator from Alabama [Mr. HILL], who is the chairman of the Committee on Labor and Public Welfare, will confirm my statement that that has

been the practice of the committee of which he is chairman, as well as of all subcommittees thereof for some time.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. HILL. The Senator is exactly correct. In my years of service in the Senate I have never known the Secretary of Labor, the Secretary of the Department of Health, Education, and Welfare, or the Secretary of any other Department of the Government to decline to come before the Committee on Labor and Public Welfare when any of those Secretaries has been asked to come before the committee to report on legislation or any particular program.

Mr. CLARK. Is the Senator from Alabama aware of any legislation in the fields in which he is such an outstanding expert that has required the Secretaries of any of the Departments of the Government to come before a committee of Congress at the request of that committee?

Mr. HILL. By including in his question the limitation of those fields in which I am an expert, I am afraid the Senator rather narrows the fields in which I can answer. But I know of no legislation that includes a provision requiring a Secretary of a Department of the Government to come before a committee of Congress. From the very beginning the Secretaries have always come whenever a committee wished them to appear. If the amendment were adopted, there might be an implication that a Secretary has not come or will not come. There is really no need for the proposed amendment.

Mr. CLARK. I give the distinguished Senator from Vermont [Mr. PROUTY] my personal assurance that, so long as I am chairman of the subcommittee—and I believe I may speak for all other Democratic members of that committee—if the Senator from Vermont desires the committee to call the Secretary of Labor or the Secretary of the Department of Health, Education, and Welfare before the committee, we shall call him. I hope with that assurance my friend will be willing to withdraw the amendment.

Mr. PROUTY. I have never doubted that my distinguished friend the Senator from Pennsylvania would do that. I merely wished to bring the question out into the open in order that the Secretaries or their representatives might be prepared to give us information which is so important if we are to understand what is going on, in order that we might improve the program. With the Senator's assurance, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

Mr. JAVITS. Mr. President, I should like to ask the Senator from Pennsylvania, the Senator in charge of the bill, a question.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. Will the Senator withhold his question until we reach the third reading of the bill?

Mr. JAVITS. My statement and question will be brief.

Mr. CLARK. Very well.

Mr. JAVITS. First, I agree with the Senator from Vermont [Mr. PROUTY]. I am delighted that he was able to accomplish what he has accomplished in the assurances that he has received.

At my request, an amendment was adopted by the committee which would enable the States to approve contracts for the small training programs and avoid a great deal of the expense and delay of obtaining Federal approval of them. Under regulations adopted by the Secretaries of Labor and of Health, Education, and Welfare, the States could approve training programs, the cost of which would not exceed $75,000, if the Secretaries delegated the authority. That arrangement seemed to be fine, and everyone agreed to it.

Now I find in the committee report that the description of this provision has been very considerably watered down to provide as follows:

> The recommendation for local approval of smaller training programs should not be construed as in any way indicating that the committee expects all or, necessarily, even a substantial proportion of such programs approvals to be delegated by the Secretaries.

It is one thing to give the Secretaries the power and authority to make these delegations; it is another thing to cut it down even further, weakening the local opportunity to act by restrictive language on the part of the committee itself.

Was this language designed to show that the committee did not favor that kind of delegation of authority, notwithstanding the amendment, or are we going to leave it to the Secretaries to do it intelligently under rules and regulations they might make, with encouragement rather than discouragement, in view of the administrative detail and costly delay involved in approving every one of these programs?

Mr. CLARK. The Senator has correctly stated both the intention of the administration and the majority of the committee. We do not intend to turn the administration of the program over to the Governors of the various States. On the other hand, the $75,000 limitation was written in at the suggestion of the Senator from New York. I believe it is a desirable one. It will cut redtape and will make it possible to move ahead without referring everything back to Washington.

The second paragraph of the report was to indicate to the administrators that we do not expect them to turn the program over to the States.

Mr. JAVITS. I thank the Senator.

Mr. CLARK. Mr. President, may we have the third reading of the bill.

The PRESIDING OFFICER. Is there any further amendment to be proposed? If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MILLER. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator in charge of the bill a question for purposes of information.

How many programs are there now for the training of the unemployed? There is the Manpower Training Act; I understand the Appalachia Act contains a provision for manpower training——

Mr. CLARK. The Senator from Ohio is not correct. The Appalachia program contains no separate manpower training provision. It provides some money for education, but it is not manpower training money. It provides money to build vocational training centers.

Mr. LAUSCHE. How many programs now provide for vocational and manpower training, in addition to the normal training that is given in the schools?

Mr. CLARK. In my opinion, the best and simplest answer that can be given to so complex a question is that there are two. They are the vocational and technical training programs, which are a part of the public school systems, and are given Federal subsidies under the Smith-Hughes Act and the George-Barden Act; and the Manpower Retraining and Development Act, which we are discussing this afternoon. Formerly there was the Area Redevelopment Act, which provided for separate training; but that act has now been consolidated, for administrative purposes, with the Manpower and Training Act, the extension of which is now under consideration.

Mr. LAUSCHE. Does not the Economic Opportunity Act provide for the retraining of workers?

Mr. CLARK. The Senator from Ohio is technically correct. Perhaps I mispoke myself.

The job training programs under the Economic Opportunity Act helps train young people for certain menial jobs within their communities. They work part time for relatively low pay in such jobs as assistant librarians and as helpers on recreational fields. There is also the camp program—the new youth training program in camps.

Mr. LAUSCHE. Let us get the total number.

Mr. CLARK. Let us say there are four.

Mr. LAUSCHE. The first is the training program embodied in the bill under consideration.

Mr. CLARK. That is correct.

Mr. LAUSCHE. The second is the training program in which help is provided for the schools.

Mr. CLARK. That is a part of the public school education system.

Mr. LAUSCHE. Third, the CCC program, under which youths are being sent to be trained in outdoor activities.

Fourth, the Economic Opportunity Act, which is managed by Mr. Shriver.

Mr. CLARK. That is correct.

Mr. LAUSCHE. The Senator from Virginia says there is a fifth one.

Mr. CLARK. The junior Senator from Virginia is most ingenious. I would be happy to know what it is.

Mr. ROBERTSON. It is called distributive education—training girls to serve in department stores.

Mr. CLARK. That is a part of the vocational education program for girls.

Mr. ROBERTSON. I know it is.

Mr. CLARK. That is not a separate category; it is merely for girls instead of for boys.

Mr. LAUSCHE. So that the RECORD may be clear on this subject, if any Senator knows of a fifth program, I wish he or she would suggest it. Four programs have now been identified for the training of youth to meet the complex problems of our economic life. I will accept that number as the fact.

Mr. CLARK. If the junior Senator from Virginia and the senior Senator from Ohio, with their vast imaginations, are unable to identify any further programs, I am prepared to say there are no others.

Mr. LAUSCHE. If there are four, that is a good many. I am afraid that multiplying or increasing them is not helpful to the basic training our youth ought to receive in their schools normally.

I thank the Senator from Pennsylvania for the information.

Mr. CLARK. The views of the Senator from Ohio on this subject are well known. I believe that further comment is quite unnecessary.

Mr. ROBERTSON. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. ROBERTSON. The Senator referred to the imagination of the junior Senator from Virginia. I am not imagining anything when I say that unprecedented juvenile delinquency exists.

Mr. CLARK. The Senator is certainly correct.

Mr. ROBERTSON. If a program were proposed to train juveniles in character, I would vote for it.

Mr. CLARK. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. YOUNG], are absent on official business.

I further announce that the Senator from Connecticut [Mr. DODD], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business.

The Senator from Texas [Mr. TOWER] is necessarily absent.

The Senator from Utah [Mr. BENNETT], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Texas [Mr. TOWER], and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 76, nays 8, as follows:

[No. 38 Leg.]

YEAS—76

Aiken	Harris	Morton
Allott	Hart	Moss
Anderson	Hickenlooper	Mundt
Bartlett	Hill	Murphy
Bass	Inouye	Muskie
Bayh	Jackson	Nelson
Bible	Javits	Neuberger
Boggs	Jordan, N.C.	Pastore
Brewster	Jordan, Idaho	Pearson
Burdick	Kennedy, Mass.	Pell
Byrd, W. Va.	Kennedy, N.Y.	Prouty
Cannon	Kuchel	Proxmire
Carlson	Lausche	Ribicoff
Case	Magnuson	Scott
Clark	Mansfield	Smathers
Cooper	McCarthy	Smith
Cotton	McClellan	Sparkman
Dirksen	McGee	Stennis
Dominick	McGovern	Symington
Douglas	McIntyre	Talmadge
Ellender	McNamara	Tydings
Ervin	Metcalf	Williams, N.J.
Fannin	Miller	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Monroney	
Gore	Montoya	

NAYS—8

Byrd, Va.	Holland	Simpson
Curtis	Hruska	Thurmond
Eastland	Robertson	

NOT VOTING—16

Bennett	Johnston	Saltonstall
Church	Long, Mo.	Tower
Dodd	Long, La.	Williams, Del.
Gruening	Morse	Young, Ohio
Hartke	Randolph	
Hayden	Russell	

So the bill (S. 974) was passed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOUGLAS. Mr. President, I move to lay that motion to reconsider on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the distinguished majority leader as to the schedule for the remainder of the day and, if possible, for the rest of the week.

Mr. MANSFIELD. Mr. President, in response to the question raised by my distinguished colleague, the minority leader, the calendar is pretty clean.

The two rule XXII resolutions, which have been postponed for the time being, are on the calendar, and also S. 976, a bill in which the distinguished Senator from North Carolina [Mr. ERVIN] and the distinguished Senator from Nebraska [Mr. HRUSKA] are interested. There is a possible conflict of committee jurisdiction which will have to be settled before that bill can be taken up.

The distinguished minority leader and I had hoped, and we still hope, that it will be possible to introduce a voting rights bill tomorrow. But we are not at all sure. It is highly possible that it may have to go over until Thursday because of some technicalities in language and other matters which are still being worked upon.

Mr. DIRKSEN Mr. President, I wonder if the distinguished majority leader can say anything more about the measures that might be coming up for the remainder of the week, the likelihood of record votes, and such other information as might be useful to Senators?

Mr. MANSFIELD. At the moment, I can see no record votes. I repeat, the calendar is pretty well cleaned up. The committees are working very diligently. But it would be my belief that if we do not introduce the bill on voting rights tomorrow, we shall do so on Thursday, and very likely there will be a session on Thursday.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, in view of the fact that the President is sending down the administration bill tomorrow, and because of the possibility that it might be possible for us to have the bill here, I ask unanimous consent that when the Senate adjourns tonight, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RIGHT TO VOTE

Mr. COOPER. Mr. President, as in so many cities in our land, a great gathering, concerned with the tragedy of Selma and with similar situations across the face of our Nation, met in Louisville, Ky., last Sunday afternoon to pay their tribute to the sacrifice of the Reverend James Reeb, to protest against brutality and violence, and to express their support for those who seek in Selma and elsewhere their constitutional right to register and vote.

More than 3,000 persons, including the Governor of Kentucky, the Honorable Edward T. Breathitt, and representatives of Jefferson County and the city of Louisville, took part in the solemn service held before the Jefferson County Courthouse and in the peaceful and dignified march to the Federal building.

The demonstration, sponsored by the Louisville Area Council on Race and Religion, was held with the cooperation of the local governments. Dr. Martin M. Perley, Council president, and Rabbi of Congregation B'rith Sholom, said:

In Selma, Ala., citizens of that community have been forcibly restrained from approaching their county courthouse. But we meet

29. YOUTH CORPS. Rep. Cabell protested action of the Labor Dept. in "setting a minimum wage of $1.25 per hour for educational trainees in the Youth Corps." pp. 5836-7

30. MAPLE SYRUP. Rep. Todd commended the results of a research program to improve the quality and reduce the cost of producing maple syrup and urged continuance of this program. p. 5837

31. HOUSING. Rep. Widnall spoke in favor of his housing and urban renewal bill and inserted a "Section-bySection Analysis of the Housing and Redevelopment Act of 1965." pp. 5848-53

Rep. Patman spoke in favor of his housing and urban renewal bill, inserted his remarks before the Housing Subcommittee hearing and stated that "it is also our obligation to make certain that there is an adequate money supply available at reasonable interest rates to take advantage of any new dynamic program." pp. 5859-61

32. FARM PROGRAM. Rep. Hansen commended and inserted the results of a survey conducted to spotlight and emphasize the problems of the rural economy and recommend necessary measures to legislative groups. p. 5883-4

33. FISHERIES. Received an Alaska Legislature memorial "requesting full appropriation support for the commercial Fisheries Research and Development Act of 1964." p. 5889

34. FOOD MARKETING. The Agriculture Committee voted to report (but did not actually report) H. R. 5702, to extend for one year the date on which the National Commission on Food Marketing shall make a final report to the President and to the Congress and to provide necessary authorization of appropriations for such Commission. pp. D228-9

35. WATER RESOURCES. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 1 hour of debate, on H. R. 1111, regarding the Water Resources Planning Act." p. D230

36. MANPOWER. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 2 hours of debate, on H. R. 4257, regarding the Manpower Act of 1965." p. D230

37. EDUCATION. Continued debate on H. R. 2362, the proposed Elementary and Secondary Education Act of 1965. pp. 5771-5835, 5837

38. BALANCE OF PAYMENTS. Rep. Curtis stated that he believed "market-determined interest rates in the United States would help to keep funds at home, and, perhaps, even draw foreign funds into our country. This would mean a significant improvement in our balance of payments." pp. 5853-4

ITEMS IN APPENDIX

39. FARM LABOR. Extension of remarks of Rep. Todd criticizing the farm labor policies of the Labor Department and stating that "Michigan pickle growers are still in a pickle." p. A1396

40. GRANTS-IN-AID. Extension of remarks of Sen. Mundt stating that "I have been much concerned about Federal-State relations, and particularly with regard to Federal controls over the States which have accompanied Federal grant-in-aid programs", and inserting an address on this subject. pp. A1396-8

41. FOREIGN TRADE. Sen. Inouye inserted an article as an example of how the citizens of Hawaii are meeting the economic needs with respect to the balance of payments problem. pp. A1402-3

42. RECREATION; RECLAMATION. Extension of remarks of Rep. Aspinall defending Interior Dept. against criticism that they are the spoilers of natural resources when creating certain recreational areas. pp. A1403-4

43. WHEAT. Sen. Mundt inserted an address by Andrew Brakke, chairman of the board of Great Plains Wheat, Inc., outlining the objectives and accomplishments of the organization. pp. A1407-8

44. FARM POLICIES. Sen. Metcalf inserted John Kenneth Galbraith's address before the annual meeting of the National Farmers Union in which he stated that "the dominant urban impression of the American farmer is that of a high-level grafter with a firm grasp on the public teat. This isn't especially good news but it is the truth." pp. A1409-11

BILL APPROVED BY THE PRESIDENT

45. INTER-AMERICAN DEVELOPMENT BANK. H. R. 45, authorizing the U. S. to participate in an increase of $750 million in the resources of the Fund for Special Operations of the Inter-American Development Bank. Approved March 24, 1965 (Public Law 89-6).

COMMITTEE PRINT RECEIVED IN THIS OFFICE

46. ECONOMICS. 1964 Supplement to Economic Indicators, historical and descriptive background, prepared for the Subcommittee on Economic Statistics of the Joint Economic Committee by the Committee Staff and the Office of Statistical Standards, Bureau of the Budget.

The committee also approved the following watershed projects:

Cass Draw, N. Mex.;
Farm Brook, Conn.;
Plum Creek, Wis.;
Rock Creek, Kans.;
Willow Creek-Park River, N. Dak.;
Big Slough, Ark.;
Rock Creek, Nebr.;
Spring Creek, Nebr.;
Minersville, Utah;
Harmon Creek, W. Va., and Pa.; and
Jewell Brook, Vt.

Prior to the executive session of the full committee hearings were held on H.R. 5702, title above, and testimony was given by Representative Sullivan; Dr. G. E. Brandow, executive director of the National Commission on Food Marketing; representatives of major farm organizations; and public witnesses.

ARMY RESERVE COMPONENTS

Committee on Armed Services: Subcommittee No. 2 held a hearing on a merger of the Army Reserve components, and heard testimony from Secretary of the Army Stephen Ailes.

HOUSING

Committee on Banking and Currency: Subcommittee on Housing held a hearing on the Housing and Urban Development Act of 1965. Testimony was given by Robert C. Weaver, Administrator, Housing and Home Finance Agency; and Milton P. Semer, Deputy Administrator, HHFA.

MINIMUM WAGE

Committee on the District of Columbia: Subcommittee No. 3 continued hearings on the minimum wage bill, and heard testimony from public witnesses.

FOREIGN AID

Committee on Foreign Affairs: Met in executive session to continue discussion of foreign aid legislation, and heard testimony from Dean Rusk, Secretary of State; and David E. Bell, Administrator, International Development Agency.

BRIEFING—EUROPE

Committee on Foreign Affairs: Subcommittee on Europe met in executive session for a briefing by William R. Tyler, Assistant Secretary of State for European Affairs.

INDIAN AFFAIRS

Committee on Interior and Insular Affairs: Subcommittee on Indian Affairs held a hearing on H.R. 874, to amend the act of June 19, 1935, relating to the Tlingit and Haida Indians of Alaska. Testimony was given by Graham E. Holmes, Assistant Commissioner for Legislation, Bureau of Indian Affairs; departmental witnesses; and public witnesses.

TRANSPORTATION

Committee on Interstate and Foreign Commerce: Continued hearings on various bills pertaining to interstate commerce and surface transportation, and heard testimony from public witnesses.

VOTING RIGHTS

Committee on the Judiciary: Subcommittee No. 5 continued hearings on H.R. 6400, regarding voting rights, and heard testimony from Representative Bingham; and public witnesses.

On March 24, at 8 p.m. Subcommittee No. 5 continued hearings, and heard Representatives Halpern, Ryan, Pepper, and Brooks Hays, Special Assistant to the President.

IMMIGRATION

Committee on the Judiciary: Subcommittee No. 1 took testimony on several private immigration bills.

MARINE HOSPITALS

Committee on Merchant Marine and Fisheries: Held a hearing on hospitalization requirements of merchant seamen in relation to proposed closing of marine hospitals. Testimony was given by Representatives Thompson of Texas and Hardy; and representatives of the Department of Health, Education, and Welfare.

ANNOUNCEMENT—FEDERAL-AID HIGHWAY PROGRAM

Committee on Public Works: Special Subcommittee on the Federal-Aid Highway Program will hold hearings on March 30 and 31 and April 6–9, at 10 a.m., in room 2167 Rayburn House Office Building, on construction and other practices relating to the Federal-aid highway program.

TAXATION—MOTOR FUELS

Committee on Rules: Granted an open rule, with 1 hour of debate, on H.R. 824, regarding compact relating to taxation of motor fuels consumed by interstate buses.

Testimony was given on the request for a rule by Representatives Willis and Mathias.

INCENTIVE PAY

Committee on Rules: Granted an open rule, with 1 hour of debate, on H.R. 3044, regarding incentive pay for hazardous duty on the flight deck of aircraft carriers.

Testimony was given on the request for a rule by Representative Fisher.

INCENTIVE PAY

Committee on Rules: Granted an open rule, with 1 hour of debate, on H.R. 5571, regarding incentive pay for submarine duty to qualified personnel.

Testimony was given on the request for a rule by Representative Fisher.

WATER RESOURCES PLANNING ACT

Committee on Rules: Granted an open rule, with 1 hour of debate, on H.R. 1111, regarding the Water Resources Planning Act.

Testimony was given on the request for a rule by Representatives Aspinall and Rogers of Texas.

MANPOWER ACT

Committee on Rules: Granted an open rule, with 2 hours of debate, on H.R. 4257, regarding the Manpower Act of 1965.

Testimony was given on the request for a rule by Representative O'Hara of Michigan.

NASA

Committee on Science and Astronautics: Subcommittee on Advanced Research and Technology met in executive session on the NASA authorization. No announcements were made.

NASA AUTHORIZATION

Committee on Science and Astronautics: Subcommittee on Space Sciences and Applications continued hearings on the NASA authorization. Testimony was given by Dr. Homer E. Newell, Associate Administrator, Office of Space Sciences and Applications, NASA; and Edgar Cortright, Deputy Associate Administrator, OSSA, NASA.

VA HOSPITALS

Committee on Veterans' Affairs: Subcommittee on Hospitals continued hearings on the closing of the VA hospital facilities, and heard testimony from Representatives Ashmore, Fulton of Tennessee, Morris, Walker of New Mexico; and public witnesses.

BILL SIGNED BY THE PRESIDENT

New Law

(*For last listing of public laws, see* DIGEST, *p. D188, March 15, 1965*)

H.R. 45, authorizing the U.S. to participate in an increase of $750 million in the resources of the Fund for Special Operations of the Inter-American Development Bank. Signed March 24, 1965 (P.L. 89–6).

COMMITTEE MEETINGS FOR FRIDAY, MARCH 27

(*All meetings are open unless otherwise designated*)

Senate

Committee on Appropriations, subcommittee, on fiscal 1966 budget estimates for Labor—HEW, on funds for related agencies, 10 a.m., 1224 New Senate Office Building.

Committee on the District of Columbia, Subcommittee on the Judiciary, to hold hearings on several pending measures (S. 1319, 1321, 1317, and H.R. 66), 10 a.m., 6226 New Senate Office Building.

Committee on Government Operations, Subcommittee on Executive Reorganization, on the Federal Government's role in traffic safety, to hear Secretary of Commerce Connor, and others, 10 a.m., 3302 New Senate Office Building.

Committee on Interior and Insular Affairs, executive, to continue consideration of S. 1229, proposed Federal Water Projects Recreation Act, and S. 254, Tualatin Reclamation project, Oreg., 10:30 a.m., 3112 New Senate Office Building.

Committee on Public Works, Ad Hoc Subcommittee on Flood Control—Rivers and Harbors, on projects in Pacific coast areas, 9:30 a.m., 4200 New Senate Office Building.

House

Committee on Appropriations, Subcommittee on Defense, executive, 10 a.m., H–144 U.S. Capitol Building.

Subcommittee on Agriculture, executive, 1 p.m., H–305 U.S. Capitol Building.

Subcommittee on Interior, executive, 2 p.m., H–140 U.S. Capitol Building.

Committee on Armed Services, Subcommittee No. 2, to continue hearings regarding Army Reserve components, 10 a.m., 2118 Rayburn House Office Building.

Committee on Banking and Currency, Subcommittee on Housing, to continue hearings on the omnibus housing bill, 10 a.m., 2128 Rayburn House Office Building.

Committee on Foreign Affairs, executive, to continue on foreign aid, 10 a.m., H–322 U.S. Capitol Building.

Committee on Interior and Insular Affairs, Subcommittee on Indian Affairs, to continue on various Indian Affairs measures, 9:45 a.m., 1324 Longworth House Office Building.

Committee on Interstate and Foreign Commerce, to continue hearings on various interstate and surface transportation bills, 10 a.m., 2123 Rayburn House Office Building.

Committee on Merchant Marine and Fisheries, to continue a discussion of the proposed closing of marine hospitals, 10 a.m., 219 Cannon House Office Building.

Committee on Science and Astronautics, Subcommittee on Manned Space Flight, executive, on pending business, 9 a.m., 2318 Rayburn House Office Building.

Subcommittee on Space Sciences and Applications, to continue hearings on the NASA authorization, 10 a.m., 2325 Rayburn House Office Building.

Committee on Veterans' Affairs, Subcommittee on Hospitals to continue hearings re VA hospitals, 10 a.m., 356 Cannon House Office Building.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued March 29, 1965
For actions of March 26, 1965
89th-1st; No. 55

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HIGHLIGHTS: House committee reported USDA administrative omnibus bill and bill to extend date for final report of Commission on Food Marketing. House Rules Committee cleared water resources planning bill. Rep. Findley criticized cotton program. Rep. Cooley expressed opposition to, and Reps. Callan and Redlin inserted articles opposing, proposed user charge on SCS technical assistance

HOUSE

1. ADMINISTRATIVE PROVISIONS; OMNIBUS BILL. The Agriculture Committee reported without amendment H. R. 5508, to facilitate the work of this Department (H. Rept. 206)(p. 5965). See Digest 35 for a summary of the provisions of the bill.

2. FOOD MARKETING. The Agriculture Committee reported without amendment H.R. 5702, to extend for one year (until July 1, 1966) the date on which the National

Commission on Food marketing shall make a final report to the President and to the Congress and to authorize $1 million additional for the work of the Commission (H. Rept. 207). p. 5965

3. WATER RESOURCES. The Rules Committee reported a resolution for consideration of H.R. 1111, to provide for the optimum development of natural resources through the coordinated planning of water and related land resources, through the establishment of a water resources council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning. p. 5966

4. MANPOWER. The Rules Committee reported a resolution for consideration of H.R. 4257, to amend and extend the Manpower Development and Training Act to June 30, 1968. p. 5965

5. EDUCATION. By a vote of 263 to 153, passed with amendments H.R. 2362, the proposed Elementary and Secondary Education Act of 1965 (pp. 5893-5944, 5945-6, 5962). By a vote of 149 to 267, rejected a motion by Rep. Goodell to recommit the bill to the Education and Labor Committee (pp. 5942-3). The bill extends for two years, until June 30, 1968, authorization for Federal assistance to schools in federally impacted areas.

6. FARM LABOR. Rep. Gonzalez criticized the condition of labor camps used under the former Mexican farm labor program and inserted an article stating that Secretary of Labor Wirtz was critical of conditions in the camps. pp. 5956-7

7. FORESTRY. Rep. Olsen criticized the exportation of logs to Japan "while American mills lay off workers because logs are in short supply." and stated that he intended to introduce legislation to control the exportation of logs. pp. 5963-4

8. GRAIN. Received a S. Dak. Legislature resolution "relative to legislation to provide for an increase in the disposal price of grain being sold to millers of cereal grains to 120 percent of the support price, and to work toward long-term barter contracts with the underfed nations of the world to purchase American grain." p. 5967

9. HOUSING AND URBAN DEVELOPMENT. The "Daily Digest" states that the Subcommittee on Executive and Legislative Reorganization of the Government Operations Committee will begin hearings Apr. 5 on H.R. 6654, to create a Department of Housing and Urban Development. p. D234

10. LEGISLATIVE PROGRAM. Rep. Albert announced the legislative program as follows: Tues.: Interior appropriation bill (includes Forest Service); Wed.: water resources planning bill; and Thurs.: manpower development and training bill. p. 5944

11. ADJOURNED until Mon., Mar. 29. p. 5965

SENATE

12. REGIONAL DEVELOPMENT. The "Daily Digest" states that the President's message recommending a program of area and regional economic development in distressed area was received Mar. 25 and referred to the Banking and Currency Committee (H. Doc. 126)(p. D232). See Digest 54 for items of interest.

89TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 208

CONSIDERATION OF H.R. 4257

MARCH 26, 1965.—Referred to the House Calendar and ordered to be printed

Mr. COLMER, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 305]

The Committee on Rules, having had under consideration House Resolution 305, report the same to the House with the recommenda tion that the resolution do pass.

O

35 008

House Calendar No. 38

89TH CONGRESS
1ST SESSION

H. RES. 305

[Report No. 208]

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 1965

Mr. COLMER, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4257) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the sub-

1 stitute amendment recommended by the Committee on Edu-
2 cation and Labor now in the bill and such substitute for the
3 purpose of amendment shall be considered under the five-
4 minute rule as an original bill. At the conclusion of such
5 consideration the Committee shall rise and report the bill
6 to the House with such amendments as may have been
7 adopted, and any Member may demand a separate vote in the
8 House on any of the amendments adopted in the Committee
9 of the Whole to the bill or committee substitute. The
10 previous question shall be considered as ordered on the bill
11 and amendments thereto to final passage without intervening
12 motion except one motion to recommit with or without in-
13 structions.

House Calendar No. 38

89TH CONGRESS
1ST SESSION

H. RES. 305

[Report No. 208]

RESOLUTION

Providing for consideration of H.R. 4257, a bill to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

By Mr. Colmer

March 26, 1965

Referred to the House Calendar and ordered to be printed

H. RES. 305

[Report No. [illegible]]

RESOLUTION

HOUSE April 1, 1965

12. FOOD FOR PEACE. Sen. McGovern commended the food for peace program and the President's "strong reaffirmation of the value of this program on the international scene." pp. 6349-50

Sen. Bartlett urged inclusion of high-protein fishery products in the food for peace program. pp. 6396-7

13. USER CHARGES; SOIL CONSERVATION. Sens. Robertson and Yarborough criticized the proposed user charge on SCS technical assistance to farmers and ranchers. pp. 6354, 6409

14. SUGAR. Sen. Pearson commended the meetings held within the sugar industry to agree on recommendations for extending the Sugar Act and expressed hope that a concensus could be reached on recommendations. pp. 6354-5

15. MARKETING. Sen. Proxmire commended Sen. Hart's efforts in behalf of enactment of truth-in-packaging legislation and inserted articles discussing this proposed legislation. pp. 6356-9

16. RICE. Sen. Fulbright inserted a Rice Millers' Assoc. resolution commending FAS, and the agricultural attache in Tokyo, for their assistance in the consummation of 50,000 pounds of rice to Japan. p. 6410

17. FARM PROGRAM. Sen. Fulbright inserted Secretary Freeman's speech before the annual meeting of the Central Arkansas Milk Producers Assoc., reviewing farm programs and policies. pp. 6310-11

18. FARM WAGES. Received a Calif. Legislature resolution urging enactment of a national minimum farm wage equal to the highest statewide minimum farm wage paid in any of the 48 contiguous States. p. 6255

19. PERSONNEL; PAY. Received the report of the Joint Committee on Nonessential Federal Expenditures on Federal employment and pay for Feb. 1965. pp. 6258-62

20. STOCKPILING. Received the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal stockpile inventories as of Jan. 1965, including CCC commodity inventories. pp. 6262-71

21. LANDS; RECREATION. At the request of Sen. Simpson consent was granted to rerefer S. 1387, to authorize the payment to local governments of sums in lieu of taxes and other revenues lost by such governments by reason of certain actions on the part of the U. S. in connection with recreation, from the Government Operations Committee to the Interior and Insular Affairs Committee. p. 6307

Sen. Byrd, W. Va., inserted his testimony before the Agriculture and Forestry Committee in support of S. 7, to provide for the establishment of the Spruce Knob-Seneca Rocks National Recreation Area, W. Va. (pp. 6350-2), and inserted an article discussing the features of the area (pp. 6366-7).

22. HOUSING AND URBAN DEVELOPMENT. Sens. Brewster, Clark, Dodd, Douglas, Gruening, Hart, Javits, Kennedy (N. Y.), Long (Mo.), Muskie, Pell, Tydings, and Williams (N. J.) were added as cosponsors of S. 1599, to provide for the establishment of a Department of Housing and Urban Development. p. 6308

23. ADMINISTRATIVE PROCEDURE. Sen. Long, Mo., announced that the Subcommittee on Administrative Practice and Procedure of the Judiciary Committee will hold hearings May 12, 13, and 14, on S. 1336, to amend the Administrative Procedure Act. p. 6308

24. WATER POLLUTION. Sen. Muskie inserted an article discussing problems of water pollution. pp. 6312-4, 6314-5

25. PUBLIC LANDS. Sen. Allott inserted the statement of the chairman of the American National Cattlemen's Assoc. Public Lands Committee reviewing public land policies. pp. 6344-6

26. RESEARCH. Sen. Long, Mo., inserted a selected bibliography of recent articles, books, monographs, and documents which deal with "Public Policy for Research and Development." pp. 6361-5

27. ELECTRIFICATION. Sen. Gruening inserted an address by the general manager of the American Public Power Assoc., "New Directions in Public Power." pp. 6367-9

28. FOREIGN TRADE. Sen. Murphy inserted an article on "the almost limitless economic opportunity for this country in expanding trade with non-Communist countries of Asia and the southwest Pacific." pp. 6369-70

29. CONSERVATION; ELECTRIFICATION. Sen. Moss inserted the address of Assistant Secretary of the Interior Holum before the annual convention of the National Farmers Union reviewing conservation, electrification, and other activities of the Department of the Interior. pp. 6371-3

30. FISCAL POLICY. Sen. Tower inserted a West Texas Chamber of Commerce article, "A Federal Fiscal Program for Sound Economic Growth." pp. 6392-6

31. CONSUMERS. Sen. Douglas inserted the AFL-CIO Executive Council statement on consumer legislation p. 6397

32. FARM LABOR. Sen. Williams, N. J., commended Secretary of Labor Wirtz' trip to Calif. to inspect farm labor conditions and inserted several items. pp. 6397-

All of the Senate proceedings of Apr. 1 were not printed in today's Record and will be continued in a later Record. The "Daily Digest" states that the Senate adjourned until Mon., Apr. 5. p. D253

HOUSE

33. MANPOWER. Passed with amendment S. 974, to extend the Manpower Development and Training Act of 1962, after substituting the language of H. R. 4257, which had been passed with amendments earlier 392 to 0 (pp. 6432-65). As passed the bill extends the program until June 30, 1968, continues 100-percent financing until June 30, 1966, and changes State matching requirements thereafter to 10 percent of the costs of institutional training, in cash or kind. It also directs the Secretary of Labor to stimulate and assist job development programs to fill unmet service needs; expands the Secretary's research authority under title I, authorizing use of grants as well as contracts; increases authorization for labor mobility demonstration projects;

liberalizes training allowances; permits payment of trainees' daily commuting costs; brings the training program for redevelopment areas under the Act; and changes the title-by-title limitations on annual appropriations to an open-end authorization for the entire Act. Reps. Talcott and O'Hara discussed the training of agricultural workers under the provisions of Act (p. 6454).

34. FARM LABOR. Rep. Cohelan commended and inserted an editorial, "End of Cheap Farm Labor," stating "No Crops will spoil if the growers finally face up to the need for a substantial increase in the wages." pp. 6470-1

35. EMPLOYMENT. Rep. Albert expressed pleasure in the Labor Dept.'s announcement that unemployment had dropped during march to the lowest level in 7½ years, and Rep. Hathaway stated the "incredible reduction has come about through a solid series of programs" initiated by this administration including the Area Redevelopment Act, the Manpower Development and Training Act, and the Economic Opportunity Act. pp. 6475-7

36. EDUCATION. Rep. Fraser spoke in support of his bill to provide Federal grants and loan funds to public and nonpublic schools of veterinary medicine. pp. 6524-27

Rep. Dent spoke in support of his bill to establish a system of insurance on reduced-interest loans to assist students to attend postsecondary business, trade, technical, and other vocational schools. pp. 6527-8

37. INTERNATIONAL MONETARY FUND. The Banking and Currency Committee reported without amendment H. R. 6497, to amend the Bretton Woods Agreements Act to authorize an increase in the International Monetary Fund quota of the U. S. (H. Rept. 222). p. 6529

38. GAO REPORTS. Rep. Widnall stated that "the short shrift given GAO urban renewal reports, findings, and recommendations to date demands a thorough congressional investigation here and in the field, in order to achieve greater efficiency and economy in Government" and inserted excerpts from articles and correspondence on the subject. pp. 6500-6

39. LABOR; CONTRACTS. Rep. Roosevelt inserted copies of correspondence between him and the Labor Department concerning administration of the Davis-Bacon Act. pp. 1610-11

40. APPROPRIATIONS. The Appropriations Committee reported this bill, H. R. 7060 (H. Rept. 223), which includes Treasury, Post Office, Executive Office of the President, and certain independent agencies. p. 6529

41. WATER RESOURCES. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 5269 (amended), to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control. p. D255

42. HEALTH. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 2984 (amended) to amend the Public Health Service Act provisions for construction of health research facilities by

extending the expiration date thereof and providing increased support of the program, and to authorize additional Assistant Secretaries in HEW. p. D255

43. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 6926, to provide certain adjustments in amounts of group life and group accidental death and dismemberment insurance under the employees' life insurance fund. p. D256

44. LEGISLATIVE PROGRAM. Rep. Albert announced that H. R. 5702, to extend the National Commission on Food Marketing, will be considered on Mon. under suspension of the rules; on Tues. the second supplemental appropriation bill, 1965; and on Wed. and the balance of the week, the medicare bill; and that the Easter recess will be April 16 through 20. pp. 6465-6
Reps. Gross and Albert discussed the length of the Easter recess. p. 6466

45. ADJOURNED until Mon. Apr. 5. p. 6528

BILLS INTRODUCED

46. HEALTH. H. R. 7057 by Rep. Byrnes, Wisconsin, to establish a program of voluntary comprehensive insurance for all persons aged 65 or over and an expanded program of medical assistance, to increase benefits under the old-age survivors, and disability insurance system, to improve the Federal-State public assistance programs; to Ways and Means Committee. Remarks of author pp. 6507-9

47. AIR POLLUTION. H. R. 7065 by Rep. Lindsay, to amend the Clean Air Act to require national standards for reducing or eliminating the emission of air pollutants from gasoline-powered vehicles, to authorize grants to municipalities and air pollution-control agencies for the acquisition, construction, or installation of devices or facilities designed to reduce or eliminate air pollution resulting from the disposal of solid wastes, to direct the Surgeon General to conduct a study of and report to Congress on the effect of air pollution from all sources on human health (particularly lung cancer); and to amend the Internal Revenue Code of 1954 to permit deduction of expenditures and increased investment credit for the acquisition, construction, or installation of water and air pollution control devices; to Interstate and Foreign Commerce. Remarks of author pp. 6491-8

48. CIVIL DEFENSE. H. R. 7069 by Rep. Matthews, to further amend the Federal Civil Defense Act of 1950, as amended, to provide for shelter in Federal structures, to authorize payment toward the construction or modification of approved public shelter space; to Armed Services Committee. Remarks of author p. 6509

49. INFORMATION. H. R. 7074 by Rep. Wolff, to provide for the distribution on on request and without charge of certain publications of the Federal Government and State and local officials and institutions of higher education; to House Administration Committee. Remarks of author p. 6524

House of Representatives

THURSDAY, APRIL 1, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer: Isaiah 58: 11: *The Lord shall guide thee continually and satisfy thy soul.*

Eternal God, our Father, grant that our aims and aspirations, purified and purged of all self-seeking and selfishness, may be well pleasing unto Thee.

Inspire us with a willingness to be channels and co-workers with Thee for the fulfillment of and the accomplishment of Thy divine purposes.

Make us to see more clearly that we are joined to all mankind in the very depth of our nature and help us discover the glory and splendor of that life which binds us one to another.

May we understand more clearly that, if we had the love, the faith, and the hope to rise to those heights to which Thou art continually calling us, what wonder and blessedness might be wrought among us and all men everywhere.

Hear us for the sake of our blessed Lord in whose name we offer our prayers and dedicate our lives. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CORRECTION OF VOTE

Mr. RONCALIO. Mr. Speaker, yesterday on rollcall No. 58 I was recorded as having voted "aye." I was present and voted "present." I ask unanimous consent that the permanent RECORD be so corrected.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

HOUSING SUBCOMMITTEE OF COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Housing of the Committee on Banking and Currency have permission to sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs have permission to sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUCCESSION TO THE PRESIDENCY AND VICE-PRESIDENCY

Mr. COLMER (on behalf of Mr. YOUNG), from the Committee on Rules, reported the following privileged resolution (H. Res. 314, Rept. No. 217), which was referred to the House Calendar and ordered to be printed:

H. RES. 314

Resolved, That, upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H.J. Res. 1) proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office. After general debate, which shall be confined to the resolution and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the resolution shall be read for amendment under the five-minute rule. At the conclusion of such consideration the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the resolution or committee substitute. The previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions. After the passage of H.J. Res. 1, the Committee on the Judiciary shall be discharged from further consideration of S.J. Res. 1 and it shall then be in order in the House to move to strike out all after the resolving clause of said Senate joint resolution and to insert the provisions of H.J. Res. 1 as passed by the House.

ADDITIONAL TRAVEL AUTHORITY TO THE COMMITTEE ON PUBLIC WORKS

Mr. COLMER (on behalf of Mr. YOUNG), from the Committee on Rules, filed the following privileged resolution (H. Res. 273, Rept. No. 218), which was referred to the House Calendar and ordered to be printed:

H. RES. 273

Resolved, That, notwithstanding the provisions of H. Res. 141, Eighty-ninth Congress, the Committee on Public Works is hereby authorized to send five of its members and two staff assistants to Lima, Peru, to attend the South American Regional Meeting of the International Road Federation from May 14, 1965, to May 24, 1965, inclusive.

Notwithstanding section 1754 of title 22, United States Code, or any other provisions of law, local currencies owned by the United States shall be made available to the committee and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided,* (1) That no member or employee of said committee shall receive or expend local currencies or appropriated funds for subsistence in an amount in excess of the maximum per diem rates approved for oversea travel as set forth in the Standardized Government Travel Regulations, as revised and amended by the Bureau of the Budget; (2) that no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 59]

Adair	Gettys	Powell
Ashley	Hawkins	Purcell
Baldwin	Herlong	Roberts
Bow	Horner	Roosevelt
Brown, Calif.	Jones, Ala.	Rostenkowski
Byrnes, Wis.	McCloy	Sisk
Conte	MacGregor	Smith, Iowa
Conyers	Mackay	Steed
Curtis	Mathias	Teague, Tex.
Diggs	Michel	Toll
Everett	Morton	Watkins
Evins, Tenn.	Passman	Yates
Foley	Patman	
Fulton, Tenn.	Pepper	

The SPEAKER. On this rollcall 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF VOTE

Mr. ST GERMAIN. Mr. Speaker, on rollcall No. 58, I am recorded as not voting. I was present and voted "yea". I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

MANPOWER ACT OF 1965

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 305 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 305

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4257) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Education and Labor now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Speaker, House Resolution 305 provides for consideration of H.R. 4257, a bill to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes. The resolution provides an open rule with 2 hours of general debate, making it in order to consider without the intervention of any point of order the substitute amendment now in the bill.

H.R. 4257 further amends the Manpower Development and Training Act in order to improve and strengthen the Nation's active manpower policy. The bill would extend the terminal date until June 30, 1968, continue 100-percent Federal financing until June 30, 1966, continue 100-percent Federal financing until June 30, 1966, and change State matching requirements thereafter to 10 percent of the costs of institutional training, in cash or kind. It also directs the Secretary of Labor to stimulate and assist job development programs to fill unmet service needs; expands the Secretary's research authority under title I, authorizing the use of grants as well as contracts, and providing explicit direction to undertake experimental and demonstration manpower projects; extends and increases the authorization for labor mobility demonstration projects and establishes trainee bonding demonstration project authority; liberalizes training allowances with respect to amount, duration, and eligibility; permits payment of daily commuting costs of trainees; rationalizes the national manpower training program by bringing the training program for redevelopment areas, now provided in the Area Redevelopment Act, under the Manpower Development and Training Act; and replaces the existing title-by-title limitation on annual appropriations with an open end authorization for the entire act.

Mr. Speaker, I urge the adoption of House Resolution 305.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Mississippi, my colleague on the Committee on Rules [Mr. COLMER], explained not only the rule but the contents of the bill the rule makes in order with 2 hours of general debate. This bill would extend the Manpower Development and Training Act with certain amendments. It is my understanding the Committee on Education and Labor reported this measure unanimously. I know the Committee on Rules approved the rule without difficulty or controversy. It is entirely possible, inasmuch as this measure does carry a number of amendments and changes in the present act, that there may be some additional amendments offered on the floor of the House after general debate has closed. I know of no general opposition either in the rule or in this legislation itself in its present form.

Mr. Speaker, I yield back the balance of my time.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4257) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4257, with Mrs. GRIFFITHS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. POWELL. Madam Chairman, I yield myself such time as I may require.

(Mr. POWELL asked and was given permission to revise and extend his remarks.)

Mr. POWELL. Madam Chairman, I speak to this House today on behalf of H.R. 4257, a bill entitled "The Manpower Act of 1965." This bill comes from the Committee on Education and Labor and amends the Manpower Development and Training Act of 1962, as amended.

The manpower development and training program established by that act is one of the most valuable weapons we have in this Nation's continuing battle to prevent the waste of our human resources and to realize the full productive potential of the American people. The new amendments to the act, proposed in H.R. 4257, are designed to make certain we will be able to use this weapon vigorously and effectively in the years ahead—and in all 50 States of this country.

The bill makes necessary changes in the act's present provisions for non-Federal matching contributions to Manpower Development and Training Act training costs. It also expands the eligibility for receipt of weekly subsistence allowances by trainees enrolled in the manpower development and training program. In several other ways it reduces the financial hardships that have discouraged some workers from taking training under the act and which have virtually forced some to drop out of training before completion. The bill further broadens the program to provide more adequate training for those with especially deprived educational backgrounds and to those capable of being trained for some of the advanced occupational skills that the Manpower Development and Training Act program has heretofore not been able to reach effectively.

These and other provisions of the bill will be presented in more detail by my fellow member of the Committee on Education and Labor, the gentleman from Michigan [Mr. O'HARA].

Madam Chairman, I think a tribute should be paid to two of our colleagues, in particular, as we consider this bill. One is the gentleman from Pennsylvania [Mr. HOLLAND], chairman of the Select Subcommittee on Labor. He, more than any other Member of this House, has been closely identified with the Manpower Development and Training Act ever since the early days of the 87th Congress, 4 years ago, when he first began the extensive hearings on manpower and automation problems which led ultimately to the passage of the act. The gentleman from Pennsylvania can be justly proud of his legislative accomplishments in making the manpower development and training program a reality and in securing the passage of further legislation which he introduced in 1963 to amend the act in a number of valuable ways. It is his bill, introduced on behalf of the administration, which we consider today as we again seek to improve this act by new amendments.

The other Member to whom special mention should be accorded is the gen-

tleman from Michigan [Mr. O'HARA], one of the most effective leaders in the effort that originally created the Manpower Development and Training Act. During February, in the unavoidable absence of the gentleman from Pennsylvania, the gentleman from Michigan very ably chaired the select subcommittee through 2 weeks of hearings on the bill before us today. He has an exceptionally fine understanding of the manpower development and training program, and I know of no one better qualified to explain to this House the need for keeping this indispensable program alive and healthy.

As I stand here today, I cast my mind back 4 years to the month of March, 1961, when the gentleman from Pennsylvania opened the first day of hearings of his ad hoc Subcommittee on Unemployment and the Impact of Automation—a subcommittee which I had established as one of my earliest acts after becoming chairman of the Committee on Education and Labor. I spoke to the large audience present, before I turned the hearing over to the gentleman from Pennsylvania, and told them that these "might well be the most important hearings in this Congress concerning domestic issues during this session."

As it turned out, those hearings paved the way for the Manpower Development and Training Act—one of the first and most creative items of major legislation that has come from the Committee on Education and Labor during my tenure as chairman. We reported the Manpower Act from the committee in August 1961, with unusually strong bipartisan support from our committee members. We were unable to get it to the floor of this House for final action until February 1962 but, when it at last came before this House, it was passed by a great bipartisan majority. I would like to congratulate those here today, on both sides of the aisle, who voted 3 years ago to establish the manpower development and training program. They showed, by their votes, their deep concern for our unemployed workers and by their faith that unemployed Americans would respond vigorously to an opportunity to gain new skills that would help restore them to jobs. I am happy to be able to say that their faith was not misplaced.

Four years ago, when the gentleman from Pennsylvania's subcommittee opened hearings on unemployment and the impact of automation, the Nation's unemployment rate was just a shade under 7 percent. One American worker out of fifteen was without a job and looking for work. Since then, we have made some progress, it is true. Today, the unemployment rate stands at approximately 5 percent. One out of every 20 workers in America, rather than 1 out of every 15, is now unemployed and seeking a job.

But let us not allow this gradual improvement—over a period of 4 years—to make us complacent, or to blur our perception of the great human waste still created by this Nation's stubborn unemployment problem. A 5-percent rate of unemployment is intolerably high and needlessly high. If we look across the Atlantic, we see that almost every one of the democratic nations of Western Europe has an unemployment rate below ours, and which has been below ours for years. And not just slightly below ours. Their rates of unemployment are typically one-half, or even less, the rate in the United States.

What the democracies of Western Europe have done, we can do. We also can push our unemployment rate down to an acceptably low level—if we are really determined to do so, and if we energetically carry out the policies which are necessary. One of these policies, and one of the most important, is the maintenance of an adequate manpower development and training program.

In this so-called affluent society of ours, let us not forget that last year, 1964, some 13 to 14 million Americans experienced involuntary unemployment at some time or another during the year. Let us also not forget that in February of this year, the latest month for which we have official figures, there were 4,200,000 unemployed workers in thic country. Think of that for a moment: more than 4 million jobless Americans looking for work. Of these, more than 1 million had been vainly seeking jobs for 15 weeks or longer—1 million of our fellow citizens who had been suffering continuously from unemployment for more than 3 months. And, as of this February, over 400,000 of our workers had been without jobs for more than 6 months.

These 400,000 workers, incidentally, who had borne the crushing burden of unemployment for 6 straight months or more, constitute a much larger group than the total number of people we expect to train under the Manpower Development and Training Act in the coming year. I advise anyone who hears claims that the Manpower Development and Training Act program is unnecessarily large just to look at the number to whom Manpower Development and Training Act training can be given in any one year. Then compare that number to the massive ranks of the unemployed in this Nation.

There are other aspects of the unemployment problem that we should call to mind. In February of this year, more than 1 million workers who normally work full time were only able to get part-time employment. These workers were not counted as among our unemployed—but they certainly were not fully and productively employed. In addition, there were thousands of other Americans who were not actually counted as unemployed only because they had become too discouraged and demoralized to continue an apparently hopeless search for work. They thus dropped out of the Nation's labor force. We have now learned—as a result of the manpower research provided for under title I of the Manpower Development and Training Act—how frequently disadvantaged workers, those with little education or skill training, are found to have dropped entirely out of the labor force, and thus right out of our official unemployment statistics.

Finally, we should not forget that the unemployment rate for nonwhite workers continues—as it has for years—to be more than twice the rate for white workers. This great gap becomes even wider when we look just at those who are the victims of 6 months or more of long-term unemployment. Whatever the overall, average rate of unemployment may become in this country, we will never reach a truly acceptable situation until we have lifted the disproportionately heavy load of unemployment that has borne down so harshly, for so long, on the members of our society who are the victims of inadequate education and racial discrimination.

The Manpower Development and Training Act is not directed exclusively toward the unemployed worker since it establishes a broad and flexible program for raising the skill level of the American labor force. Employed workers as well as the unemployed can also be helped under the program to gain new skills. But the act gives top priority, in selection for training, to the unemployed. The act focused when it was first conceived, primarily upon the unemployed adult, with substantial previous work experience, particularly the unemployed worker with dependents. And this is still the act's central focus although the act was amended in 1963 to make Manpower Development and Training Act training accessible to a somewhat larger proportion of young workers without family responsibilities.

If we look in detail at the manpower development and training program, we find that almost 90 percent of the trainees who have been enrolled so far were totally unemployed at the time they were selected for training. Of these, about half had been vainly striving to find work for 3 months or more and almost one-third for 6 months or longer. These Manpower Development and Training Act trainees, in other words, have been drawn in large proportion from American workers who clearly faced very severe difficulties in finding jobs without training in new skills. This fact makes the rate of success in placing these trainees, once they have completed Manpower Development and Training Act training, even more impressive.

I shall point up very briefly a few more facts describing the workers we have been training under this program. More than 25 percent of them have been nonwhite—which is slightly higher than the proportion of nonwhite workers suffering from long-term unemployment in the United States. More than half of the trainees have been the heads of families, and about one-fourth have been workers with three or more dependents. Over two-thirds of the trainees have had 3 or more years of previous work experience. These are experienced workers whose jobs have disappeared and who now need to acquire new skills in order to get reestablished in secure and productive employment.

In conclusion, let me remind this House that the Manpower Development and Training Act was born, in part, out of the conviction that an unemployment compensation check or a relief check is just not enough. The unemployment

insurance office or the public welfare board can hand out enough money to keep the unemployed worker and his family from actually starving or freezing to death, but we will never be able to estimate the extent to which millions of Americans have had their lives shortened from malnutrition and inability to get decent medical care, as a direct result from unemployment. Still a handout of money is no compensation for the unemployed worker's feeling that he is rejected, that he is useless, that there is no place for him in this great productive economy of ours. How does it feel to spend week after week asking for a job and be turned down time and time again? Thousands of the people who have been trained under the Manpower Developing and Training Act know exactly how it feels, because this was their painful experience before they entered training. What the Manpower Development Training Act program offered them was not just a weekly check, but something far more important—a chance to equip themselves with skills that would help them to escape from the demoralizing, spirit-corroding status of being unemployed.

Mr. Chairman, I believe the Manpower Development and Training Act to be one of the great acts of social legislation in our Nation's history. I am confident that this House will further strengthen this act by passing the bill we have before us today, and that it will pass it by a massive bipartisan majority.

Madam Chairman, this bill has a peculiar personal interest for me. When I became chairman, even before the Congress met to formalize my chairmanship, the distinguished chairman of this subcommittee, the gentleman from Pennsylvania [Mr. HOLLAND], telephoned me the day after election in November and said, "Let us do something about the problem of automation."

Beginning the second day after election in Washington we worked together on this bill during November and December. Mr. HOLLAND is the father of this bill. This is the first definitive bill to tackle the problem of automation. It is a totally new idea and as all new ideas do, it eventually comes to the place where it needs to be examined and strengthened. This is what we are doing here today.

The gentleman from Michigan [Mr. O'HARA] has done yeoman service as the acting chairman of this subcommittee during the unfortunate illness of our beloved colleague, the gentleman from Pennsylvania [Mr. HOLLAND.]

I would like to bring before the House a few pertinent facts about this new concept and point out that 6,700 projects for nearly 320,000 trainees were approved during the first 29 months of the operation of the Manpower Development and Training Act. Projects are still being processed. Through December of last year 91,000 enrollees have completed their course in both the institutional and on-the-job training programs.

The proof, even though this is a new idea—and it was a good one—is the fact that these people who were unemployable or unemployed were unemployable because they lacked skills or were unemployed because they had skills but did not have the opportunity to use them.

Madam Chairman, 75 percent of the trainees in these courses have now been placed in jobs. This one fact alone in terms of taking people off the public welfare roll, reducing social security welfare payments, and increasing income from State and Federal taxes has more than paid for the cost of this legislation so far.

Also, Madam Chairman, in the on-the-job training program, 90 percent of the men and women who receive training in the on-the-job training program have been placed and are employed.

Mr. HOLLAND. Madam Chairman, in the two previous sessions the Members of Congress have acted on manpower training legislation.

In the 87th Congress, the Manpower Development and Training Act of 1962 was passed. For the benefit of our new Members this session, I would like to say this legislation resulted from a personal survey I conducted, immediately following President Kennedy's election, and public hearings of an ad hoc Subcommittee on Unemployment and the Impact of Automation which Chairman POWELL created and to which he appointed me chairman, early in 1961. With unemployment and its ever-increasing rate of growth considered as a most important domestic problem—all avenues were explored in an effort to find a satisfactory solution.

The Manpower Development and Training Act program—with its provisions to retrain heads of families in the newer, needed skills—to replace those which automation had made obsolete—appeared to be the most logical approach to those of us who had seriously studied this problem. This act also provided funds for demonstration and experimental programs aimed at discovering the best methods for retraining our unemployed. The new Members might be surprised to know that this legislation was considered "revolutionary" by some for it had the Federal Government accept the responsibility of trying to rehabilitate our unemployed. However, when this act was finally passed in March 1962, it was hailed as the "first piece of constructive labor legislation passed by Congress since 1938."

Occupational training courses started officially in September 1962 as appropriations for the program were delayed that year. It did not take long for the administrators of the act to find out that we had overestimated the ability of our unemployed and underestimated the fundamental requirements necessary for retraining in the needed skills.

The 88th Congress was called upon—early in 1963—to amend the Manpower Development and Training Act program and provide, in addition to the 52 weeks of occupational training, 20 weeks of academic educational training, as only one out of seven applicants for training under the Manpower Development and Training Act could qualify. We were also requested to extend full Federal financing of this program for fiscal year 1964 as the States did not have sufficient time to provide appropriations to cover the required 50 percent of costs.

Extensive hearings were held by the Select Subcommittee on Labor and the Manpower Development and Training Act program was enlarged and extended with full Federal coverage of the costs for the period through June 30, 1965, with the States required to pay, after that date, one-third the cost of the program. The amendments were passed in December 1963.

Today, as chairman of the Select Subcommittee on Labor, I ask the Members of the 89th Congress to pass the amendments to the Manpower Development and Training Act program—amendments which again broaden the coverage of the program, lengthen the training period, increase the subsistence allowance in specific cases, and make other provisions including the extension of full Federal financing for 1 more year—fiscal year 1966—with the States share, starting July 1, 1966, being reduced to only 10 percent in cash or kind.

The success of this program, in respect to reclaiming individuals and restoring their ability to become self-sufficient once more, is well known. The records show that between 70 and 80 percent of those, who have completed their training, are now employed. The fact that no opposition was raised in the Full Committee on Education and Labor, when this legislation was reported out, demonstrates not only bipartisan support but also the sincere recognition of the need for the continuation of this program.

It is no secret that our national economy has a growth rate of 5 percent—and conditions are considered very good—but it also is apparent that we are having quite a bit of trouble in our attempt to get our rate of unemployment under 5 percent and keep it going down.

We are witnessing a decided change in our economy—a change brought about by the new technological developments in the industrial segment of our society. According to a Brookings Institute study:

> Industry is getting more output for each dollar invested (from 1948 to 1962, a gain of 28 percent, and is spending proportionately less for new plant and equipment (from 10 percent of the GNP in 1956 to 8½ percent in 1963). As a result wholesale prices stay stable, capacity exceeds demand, output keeps growing but jobs stay scarce.

All of us realize that the use of computers is just beginning. Let me assure all concerned, no one advocates the elimination of them, for, without them our Nation would not remain a world leader nor could we hope to ever explore space. We do know, however, that computers will accelerate the use of automated equipment in many fields of employment and workers will be displaced. Right now the rate of displacement is said to be around 35,000 jobs a week, and, were it not for automation, thousands of others would have been hired. Time magazine reports:

> If U.S. industry were to automate its factories to the extent that is now possible—not to speak of the new possibilities opening

up each year—millions of jobs would be eliminated.

In 1962—here in Congress—I stated that "automation is the problem of the present and the promise of the future." We cannot help but feel that automation is certain to liberate both manpower and brainpower to tackle tasks once considered impossible and meet human needs now felt impracticable. In the meantime, however, we feel just as strongly that those, hurt by this progress, must be helped—and those yet too young to realize the impact must be adequately educated and prepared to live and work in a highly technical world.

I shall not discuss the amendments in length; however, I firmly believe they are necessary if we hope to see our presently unemployed get back to work, as well as those who will be unemployed through no fault of their own, and permit these people to be active members of our Government. Frankly, I know very, very few who would rather receive from the Government in place of contributing towards its upkeep.

May I remind the Members, your vote today on this legislation before us will help determine the Nation's economy tomorrow.

Madam Chairman, I now yield 5 minutes to the gentleman from Michigan [Mr. O'HARA].

(Mr. O'HARA of Michigan asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Madam Chairman, the bill before us today, introduced and sponsored by the gentleman from Pennsylvania [Mr. HOLLAND] is a further step in the effort to provide a chance for American workers who are without the skills necessary to secure and hold substantially gainful employment. It represents the latest chapter in a struggle begun many years ago by the gentleman from Pennsylvania [Mr. HOLLAND] to rescue from the human scrap heap of prolonged joblessness millions of our fellow citizens who needed to work and wanted to work but could not find a market for their labor. I would like to begin my remarks by paying tribute to the fight made by the gentleman from Pennsylvania for these neglected members of our labor force. It was a continuing struggle that he sometimes carried on nearly alone in which he persevered despite all obstacles. Its fruit is the Manpower Development and Training Act of 1962, one of the most successful programs ever adopted by the Congress. The gentleman from Pennsylvania has now proposed amendments to strengthen and improve this program which are embodied in H.R. 4257, the bill before us today.

It is a bill which has received the endorsement of both the majority and minority members of the Committee on Education and Labor. It is also a bill whose prompt enactment by the Congress is essential in order to preserve the manpower development and training program. This program, in the 2½ years since it began in the fall of 1962, has made an impressive contribution in restoring thousands of Americans to productive employment. Those of us who have watched the Manpower Development and Training Act program since its inception can testify to the satisfaction we have felt as it has demonstrated its value to our society.

The manpower development and training program was initiated in 1962 with exceptional bipartisan support in both Houses of the Congress—as was shown by the large majorities that voted to pass the original act. Since 1962, the program has proven itself a success, and has developed an even broader base of bipartisan support. The act was amended in important respects in late 1963—again by very large majorities in both Houses—and the additional amendments proposed on behalf of the administration this year have received a strongly favorable response. Manpower development and training is not, therefore, a controversial program. It is now well established and almost universally recognized to be one of the indispensable elements in this Nation's determined attack upon the problems of unemployment and waste of our human resources.

The select subcommittee held 8 days of hearings in February on the bill. Without exception, the witnesses who came before us, and others who submitted written statements, expressed enthusiastic support for continuing and expanding the manpower program. No one requested time to testify against the bill, and no statements in opposition were received. The bill was reported favorably from the full Committee on Education and Labor on March 4, without a dissenting vote, and with several improving amendments, including amendments proposed by minority members of the committee. There was no minority report.

Mr. Chairman, I shall discuss briefly what has been and is being accomplished under the Manpower Development and Training Act program. By the time all the regular title II training projects that so far have been approved and given commitments of funds are completed—in addition to those projects that have already been completed—this program will have successfully equipped well over 300,000 American workers with new and much-needed skills. About 90 percent of these trainees, we should note, were totally unemployed before they entered Manpower Development and Training Act training, and practically all of the remainder were part-time workers or underemployed in jobs that did not fully use their potential productive capacity. In addition to these trainees I have just described—those enrolled in the standard title II training projects—the Manpower Development and Training Act program will also have given counseling, basic education, training, placement, and other services to approximately 60,000 more persons in the special experimental, demonstration, and pilot projects that have been designed for workers in our society with especially severe employment problems. These experimental and demonstration projects have constituted an extremely valuable part of the Manpower Development and Training Act program, and have contributed to improving techniques for assisting such groups as older workers displaced by automation, workers handicapped by extremely limited educational backgrounds, nonwhite workers, and members of other racial minorities, members of low-income farm families who are struggling to make the transition to employment in urban areas, and young workers who dropped out of school because they were unable to adjust to formal academic education.

This, then, is the record of the Manpower Development and Training Act program. With the funds Congress has appropriated for its first 2½ years of operation, a total of almost 400,000 workers, by the end of this fiscal year, will have been involved in projects that are completed or under way.

Has the program been worthwhile? There is no question about it. The placement rate for those who have completed Manpower Development and Training Act institutional training projects has been approximately 73 percent. That is, almost three-fourths of these trainees are shown as having been placed in jobs within 90 days after completing a course of training. For the relatively smaller group of trainees who have completed Manpower Development and Training Act on-the-job training projects, the placement rate has been about 94 percent—this higher rate, of course, being a reflection of the fact that most on-the-job trainees begin their training in the establishment of employers who expect to keep them on as permanent employees after the training period, while trainees in the institutional projects must go into the labor market to seek jobs when their training is over.

We can say, therefore, that around three-fourths of those who complete their prescribed course of training are finding jobs within a relatively short time after completion. This is a very solid achievement—especially in view of the fact that 9 out of 10 Manpower Development and Training Act trainees have been drawn from the ranks of the unemployed, and that a high proportion had been without jobs for 3 months, 6 months, a year or even longer before they were selected for training. Indeed, this is an achievement substantially greater than had been anticipated by many who voted, 3 years ago, to pass the Manpower Development and Training Act. The Manpower Development and Training Act program has more than fulfilled the hopes of its original supporters. It is putting thousands of Americans back to work—including great numbers whose long, frustrating search for decent employment seemed almost hopeless before Manpower Development Training Act training provided them with new skills.

The cost of the program, when set alongside the results being achieved, is a modest one for a great nation like the United States to pay. Looking at the institutional training projects and the on-the-job training projects combined, we have found that the direct cost of training one worker—including the cost of weekly subsistence allowances to those eligible for them—has so far averaged around $1,200 or $1,300. And no consideration has been given, in estimating

this average cost, to the fact that a significant part of the cost of the weekly allowances actually just takes the place of unemployment compensation benefits or welfare and relief payments that otherwise would have been paid to many Manpower Development Training Act trainees.

The cost of training can be fully and completely measured in terms of dollars and cents. The benefits, of course, cannot be. It is impossible to put a price tag on the value of a worker, and the members of his family, receive when he is reclaimed from the industrial scrap heap, when his self-confidence is restored through the acquisition of a new and marketable skill. These are benefits that can accumulate over the lifetime of the worker—and even over the lifetime of his children, whose own motivation and chances of becoming productive members of our society may be greatly damaged if their father falls into the discouraged condition of the chronically unemployed.

The desirability of manpower training hardly needs to be defended at all, if the alternative is stagnation and demoralization. I doubt that there is a Member of this House who would contend that it is preferable for an unemployed worker—whether from the standpoint of his own interest or the interest of our society—to spend weeks and months in self-destructive idleness, rather than be engaged in skill training which can offer him even a fair fighting chance of regaining a place in the world of work.

If we confine ourselves just to those benefits from training that can be roughly estimated in dollars and cents, however, the clear indication is that manpower training is a very worthwhile investment in human beings. The Manpower Development and Training Act training program is still so young relatively, that only very limited information is yet available on the incomes and earnings, over a period of time, of those who have completed training. But I would like to summarize very briefly one of the few studies so far published on this question—a study carried out, with a grant from the Ford Foundation, under the direction of one of the country's most distinguished labor economists, Gerald Somers at the University of Wisconsin. This study examined the post-training experience of approximately 500 previously unemployed workers who completed either ARA or State-sponsored training courses in West Virginia, and compared their experience with that of a control group of unemployed West Virginians, of comparable background. Observations over a period of several years clearly demonstrated that the first group—those who had completed training—enjoyed a very significant advantage over the control group with respect to stability of employment and with respect to the incomes they were able to earn. The conclusion of this University of Wisconsin study was that it had produced strong evidence that the benefits and potential benefits of manpower retraining substantially outweigh the costs.

In concluding my comments on the question of the cost of Manpower Development and Training Act training, I want to make two points, to help us see this program in perspective. First, the total amount paid out to unemployed American workers in weekly unemployment compensation benefits last year, 1964, was more than $2½ billion. By contrast, the amount of Manpower Development and Training Act funds committed for the payment of weekly training allowances during the year was not over 5 or 6 percent of this figure. For every dollar we committed to support a Manpower Development and Training Act trainee last year, while he undertook training, at least $15 to $20 was paid out in benefits to unemployed workers who were not being trained.

Secondly, the total number of workers whom the Department of Labor expects to be able to train under title II of the Manpower Development and Training Act program, during fiscal 1966—on the basis of the proposed administration budget—is approximately 275,000. This number is little more than one-third of 1 percent of the total number of people now in the American labor force. When we consider the high rate of productivity increase and of technological change in our economy, with its constant destruction of old jobs and creation of new job opportunities—and when we consider that the Manpower Development and Training Act program is now providing new skills to only about one-third of 1 percent of our labor force each year—then I think the proper question to be asked is not whether we are trying to do too much with Manpower Development and Training Act, but whether we are trying to do too little.

Mr. Chairman, I will now discuss the main provisions of the bill we have before us, to amend the Manpower Development and Training Act.

This bill extends the life of the Manpower Development and Training Act program to June 30, 1968—that is, for 2 years beyond its presently scheduled expiration date of June 30, 1966. This extension for only 2 years does not indicate that members of the Committee on Education and Labor believe there is a possibility that we may not need a manpower development and training program after 1968. It simply reflects the view that the Manpower Development and Training Act program should be reexamined, within a reasonable period of time, by the committee, in order to develop any legislative action that the future may reveal is needed to improve the program.

The bill provides a 1-year extension, to June 30, 1966, of complete Federal financing of the Manpower Development and Training Act program. After fiscal 1966, a non-Federal contribution of 10 percent will be required for the costs—exclusive of the costs of training allowances—of institutional training under title II. This provision maintains the requirement of a non-Federal matching share, but it also sets that share at a level which will not threaten our ability to keep the Manpower Development and Training Act program going ahead in high gear. There is no doubt that this is a successful program, and that it is an essential program, for our unemployed workers and for the health of our economy. But there is also no doubt that most States—not all, but most—cannot take on a large share of the cost of the program. The provision we have in this bill, therefore, reflects the hard reality of the fiscal situation that faces practically all of our States.

The bill brings under Manpower Development and Training Act the separate training program which, since 1961, has been operated under authority of the Area Redevelopment Act. That act is scheduled to expire on July 1 of this year, but the administration is proposing to maintain the designation of redevelopment areas, which are to be eligible for special Federal assistance. Part of the Manpower Development and Training Act appropriation, from fiscal 1966 on, is expected to be specifically set aside for training in these redevelopment areas. The training projects in these areas will differ relatively little from other Manpower Development and Training Act projects. The chief points of difference are that the Secretary of Commerce will share responsibility with the Secretaries of Labor and of Health, Education, and Welfare for redevelopment area training, and that any unemployed or underemployed individual in these areas may be eligible to receive a regular weekly subsistance allowance when selected for training, whether or not he meets the usual manpower development and training act eligibility requirements with respect to previous work experience, age, and family status.

This bill consolidates all research, experimental, developmental, demonstration, and pilot projects under title I of the act, and explicitly directs the Secretary of Labor to carry out such projects. It also increases somewhat the total allowed spending for the special labor mobility demonstration projects that were authorized by our amendments to the act of 1963, and extends to June 30, 1967, the deadline for concluding these projects. Under title I, the bill also directs the Secretary of Labor to carry out two more specifically named types of projects: First, a job development program to explore means of creating new employment opportunities, primarily in the service trades; second, a trainee placement assistance project, which will be a 2-year experimental undertaking designed chiefly to assist the placement of trainees with police records who need to be bonded for many types of employment and who find it difficult or virtually impossible to be accepted for bonding by commercial surety companies.

Another provision of the bill extends the period for which a trainee may receive a training allowance to a maximum of 104 weeks. The act presently limits allowances to a maximum of 52 weeks, if the trainee is engaged in strictly occupational training, or to a maximum of 72 weeks, if he is in a course which includes training in basic education skills as well as occupational training. This provision of the bill, let me emphasize,

is not intended to produce a large increase in the average planned length of the Manpower Development and Training Act training projects. But it will give flexibility to the program in two desirable respects—first, by allowing longer periods of remedial instruction in basic education skills for trainees with especially deprived educational backgrounds, and; secondly, by enabling the Manpower Development and Training Act training projects to be instituted for a variety of the more highly skilled and technical occupations which are presently beyond effective reach of the program, under a limit of 52 weeks for occupational training.

The bill contains a set of provisions designed to reduce the financial hardships that bear upon many Manpower Development and Training Act trainees, and thereby encourage more individuals to enter training and to remain in training until their prescribed courses are completed. These provisions make single people, living apart from their families, eligible for the first time for regular training allowances. Also, eligibility for allowances is now extended to more than one member of a family, provided that the family head is unemployed. The amount of the allowance that can be paid is increased for one category of trainees—those with more than two dependents. For each dependent beyond two, the allowance may be increased by $5. The maximum increase, however, is $20—which could be received by a trainee with six or more dependents. The final provision to be mentioned in this group is one which authorizes the payment of daily transportation costs for trainees, to and from the location of the training site. Since these costs can mount up to $3 to $5 a week in many cases, which is a much more than nominal proportion of the trainee's weekly allowance, the committee has endorsed the administration's proposal to begin defraying these costs.

The few remaining provisions of the bill are of a technical or minor nature, and I will only take time at this point to comment upon one of them. That is the provision which authorizes Federal payment of up to 100 percent of the cost of Manpower Development and Training Act projects assigned to private educational and training institutions, even after the 10-percent matching provision becomes effective at the end of fiscal 1966. This provision has been incorporated in the bill because the committee recognized that many States will be very reluctant to put up part of the costs of training projects outside the public vocational school facilities. Yet there are quite a few projects which can be most effectively and rapidly carried out in private institutions. The committee is convinced that it would be undesirable to reduce greatly the participation of well-qualified private institutions in the Manpower Development and Training Act program. For that reason, it has written into the bill this exception to the non-Federal 10-percent matching requirement.

Mr. Chairman, I think this is an excellent bill and that its passage will mark an important step toward improving the manpower development and training program and solidly establishing it for the future on a sound, viable basis.

Mr. WAGGONNER. Madam Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The authority which was transferred from the ARA to Manpower Development here only has to do with training, does it not?

Mr. O'HARA of Michigan. The gentleman is correct.

Mr. WAGGONNER. No authority is intended to interfere in any way with future ARA project grants?

Mr. O'HARA of Michigan. I want to assure the gentleman from Louisiana that that will be a separate matter which will be brought before the House at an appropriate time from a different committee. All we are attempting to do here is to increase administrative efficiency by including any training done in redevelopment areas under the provisions of this act.

Mr. WAGGONNER. I thank the gentleman.

Mr. GROSS. Madam Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Are there any other programs in addition to ARA that brought under this Manpower Training Act?

Mr. O'HARA of Michigan. No. There are others that perhaps should be, but there are no others in this bill.

Mr. GROSS. I had hoped the gentleman could say that all of these training programs had been brought together under one tent.

Mr. O'HARA of Michigan. I think the gentleman's suggestion is well taken. I hope we can discuss these further during the debate today.

Mr. AYRES. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, this has been one of the most constructive pieces of legislation enacted in recent years to assist people in getting gainful employment. Fortunately, it has not been a partisan issue in any way. The subcommittee members and the committee members have worked diligently and have come here today with a bill that both sides agree should be passed. The gentleman from Ohio [Mr. ASHBROOK], the ranking member of the subcommittee, and the gentleman from Minnesota [Mr. QUIE], and the gentleman from New York [Mr. GOODELL] have done a superb job.

It will be recalled that several years ago when many amendments were offered and Mr. GOODELL was active in the legislation at that time it was predicted that this would be one of the most constructive laws in this field. That has proven to be the case.

Madam Chairman, I now yield to the gentleman from Ohio [Mr. ASHBROOK], ranking minority member of the subcommittee, 3 minutes.

Mr. ASHBROOK. Madam Chairman, I rise not to point out any inadequacies in this bill, but to refer to the fact we have a continuing obligation to proceed in the direction this bill indicates. It is important that we continue to perfect this program.

One of the main objections I stressed when this bill originally passed was duplication and a certain amount of overlapping in existing programs. Some of the overlapping is not really significant. To some degree there is overlapping in the existing vocational training program, but this is not an important factor.

One of the areas of overlapping, which was very significant, has been handled by this bill, due to the consideration and study of the gentleman from Michigan, and other members of the committee. That of course is the Area Redevelopment Administration program, commonly called ARA.

I think this is basically a step forward to prevent duplication, to bring existing efforts under one general program. I would point out at the same time that we do have a continuing obligation to incorporate other similar programs into the Manpower Development and Training Act. Again, I know the gentleman from Michigan [Mr. O'HARA] has recognized this and has been very diligent in this field. Even after the enactment of this bill, the improvement of this law, there will still be overlapping in several important areas.

Mr. O'HARA of Michigan. Madam Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield.

Mr. O'HARA of Michigan. I and all the members of the committee are aware of the gentleman's interest in making this more efficient. We share his belief that we ought to consider the entire field of training and we hope to do that in the very near future.

Mr. ASHBROOK. I particularly thank the gentleman from Michigan because this has been one of the most constructive subcommittees I have had the opportunity to serve on. Under the provisions of this bill, the ARA is brought into manpower development training. We do have existing programs which at the present time should be considered, although we are not going to offer amendments to this specific bill.

I read the following from page 127 of the President's manpower report transmitted to the Congress in March of 1965, to give you an idea of the further obligation of our committee in studying these programs:

> It is still too early to evaluate the Economic Opportunity Act programs.

That is the Economic Opportunity Act, the so-called poverty program.

> The law has been in effect only 6 months. By the end of the current fiscal year, these programs are expected to be providing work training for some 200,000 young people.

It can be seen that there is at the present time one basic program which is operating simultaneously with the manpower development and training program. There is also another program which I hope in the future we will consider incorporating in the provisions of the Manpower Development and Training Act. You all recall when we passed the Trade Expansion Act there were provisions for basic training or retraining,

as the case might be, where workers were harmed by the effect of imports. This program has not been very fully implemented yet but undoubtedly it will be in the future. It is important, I hope, that we as members of the committee in the further study of this bill will endeavor to incorporate into this act the provisions of the Trade Expansion Act which provide for training in the case of those employees who are hurt by the impact of imports.

I also hope the Economic Opportunity Act provisions providing for retraining can at least be coordinated with this program if they are not, indeed, placed under the efficient leadership that is offered by the Manpower Development and Training Act.

Mr. GROSS. Madam Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Iowa.

Mr. GROSS. Ought not this bringing together of the training programs to have come in this bill? The Trade Expansion Act is embodied in the program, and the poverty program, too. How do you get them in?

Mr. ASHBROOK. I share the gentleman's concern, but I also feel the subcommittee has done a very admirable job of recognizing this problem and bringing the ARA into this bill. We are considering further the inclusion of other programs. There are also programs being advocated regarding those on the farm who may be moved off the farm, programs of that type, which we hope will be incorporated in this program. So we have made progress.

(Mr. ASHBROOK asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Madam Chairman, I yield 6 minutes to the gentleman from New Jersey [Mr. DANIELS].

(Mr. DANIELS asked and was given permission to revise and extend his remarks.)

Mr. DANIELS. Madam Chairman, I want to underscore my support for H.R. 4257 and also focus particular attention on some aspects of the task of manpower training which must be given increased emphasis. The Manpower Development and Training Act has been in operation for 2½ years, and the Nation and thousands of individuals have benefited from its provisions. Nevertheless, the size of the yet unaccomplished task is so great in dimension and in its variety of problems that new and imaginative techniques must be provided to meet the challenge. I call your attention, therefore, to the provision of the bill before us which directs the Manpower Development and Training Act administrators to maintain a much-needed program of research and of experimental and demonstration projects.

Research, experimentation, and demonstration are indispensable adjuncts to an effective Federal manpower training program. The resources of the Departments of Labor, and Health, Education, and Welfare must be combined with those of all community agencies that can contribute innovations to the total training effort on a broad and continuing basis. Much of the experimental and demonstration effort under the Manpower Act thus far has been conducted by the Department of Labor and has been concerned with finding special counseling, testing, and referral techniques. These are vital needs—and there is an equally important need for finding unique training methods that benefit all types of individuals, with diverse backgrounds, in a multitude of occupational areas.

There are groups of individuals who continue to have especially serious employment problems and for whom provisions of the Manpower Development and Training Act and H.R. 4257 are uniquely designed. Manpower Development and Training Act experience has shown that new approaches and methods are required to meet the needs of disadvantaged worker groups, such as the undereducated, the non-English speaking, the migrant workers, out-of-school and out-of-work youths, older workers, minority groups, the physically and mentally handicapped, and others. New approaches are needed to provide jobs and occupational training for the more than a million unemployed workers with less than 8 years of schooling, for older workers who comprise about 40 percent of the long-term unemployed, for the nonwhite workers who have double their proportionate burden of unemployment, for the unskilled and semiskilled workers who account for one-third of the unemployed, and other similarly disadvantaged worker groups.

Progress has been made in alleviating the burdens of unemployment among these severely disadvantaged workers. Up to this time, a limited experimental and demonstration program has been undertaken under title II of the Manpower Development and Training Act. The projects have tested and evaluated new or improved approaches and techniques for testing, counseling, motivating, finding jobs for and training groups of workers with especially difficult employment or training problems. They have arranged for critical supportive social services and supplemental financial assistance in order to prevent dropouts and to insure successful job placement. They have utilized a wide variety of community, educational, employment, labor, and local government organizations with special expertise in solving or investigating the problems of the target groups.

By January 1, 1965, over 110 projects, serving some 60,000 individuals had been authorized. The results of some of these projects have already been put to work in improving services to unemployed workers in regular Manpower Development and Training Act operations and in attacking complicated manpower problems.

Nevertheless, the remaining real challenge is that of marshaling additional know-how to cope with the problems of these severely disadvantaged workers. The amendments in H.R. 4257 are pointed toward expanding our tools and facilities for research and experimentation under title I of the act. These will be stepping stones in learning how to treat causes rather than symptoms of our still present manpower problems, and in opening up job opportunities which might otherwise be closed for reasons which may no longer apply.

In H.R. 4257, we now give the experimental and demonstration program the dignity of statutory language to acknowledge its rightful place in the total range of Manpower Development and Training Act activities. Such legislative authority will provide specific impetus for the Secretary of Labor to initiate a wide variety of imaginative and pioneering experimental and demonstration manpower projects to meet the needs and problems of workers, areas, industries, and occupations with severe or unique employment or training problems. This type of pioneering pays for itself many times over by improving regular training projects under the Manpower Development and Training Act and by guiding industries, communities, organizations, and the Nation to the solution of our manpower problems.

In concluding, I would like to call attention to the excellent cooperation of the Departments of Labor and of Health, Education, and Welfare—working closely with public authorities and private groups at the State and local level—in developing new techniques for reaching and training our disadvantaged workers. New methods of training have already been achieved as a result of the individual imagination and ingenuity of vocational educators, in cooperation with public institutions and private business. For example, here in the District of Columbia, private business is providing unique training methods to prepare persons for certain data processing jobs in a relatively short time. I have asked unanimous consent to have placed in the RECORD, at the conclusion of my remarks, a brief description of this and certain other interesting projects that have been developed by vocational educators in cooperation with public employment service officials under the Manpower Development and Training Act.

But these efforts by educators so far are limited in scope. A massive change in training practices can come only through an extensive research, experimental, and demonstration program which includes participation by vocational educators who have the responsibility to provide institutional training as well as supplementary or related classroom instruction for on-the-job training.

The amendment to the act expanding the research, experimental, and demonstration program is designed to provide the Secretaries of Labor, and Health, Education, and Welfare with the tools they need to coadminister this important activity and learn more about how to develop and implement effective testing, guidance, counseling, referral, institutional training, on-the-job training, job development, and placement programs.

I am gratified to see this provision in the bill. It would not have been as good a bill without it.

Madam Chairman, I include the following:

SOME SPECIAL EXPERIMENTAL AND DEMONSTRATION PROGRAMS DEVELOPED BY VOCATIONAL EDUCATORS IN COOPERATION WITH PUBLIC EMPLOYMENT SERVICE OFFICIALS UNDER PROVISIONS OF THE MANPOWER AND TRAINING ACT—ADDITIONAL INNOVATIONS IN MANPOWER TRAINING PROGRAMS

1. Basic communications skills were provided in manpower training programs in St. Louis, Philadelphia, and other cities for socioeconomic and educationally handicapped persons long before the first amendments to the act.

2. Project "Prepare" in the District of Columbia in which some persons with less than a high school education are receiving unique training by private business in data processing jobs by combining basic education, technical instruction, and machine practice at significantly reduced class hours of instruction.

3. High school graduation was tied into a telephone occupations training program in California to meet employer requirements.

4. The Forest Service has provided technical instruction in manpower training programs in Washington, Oregon, and other States.

5. A sewage and sanitation maintenance facility in Missouri serves much of western United States in this specialized occupational area.

6. We are providing training that reaches across traditional political subdivisions by serving persons with special needs in large regional areas. A manpower center in Iowa serves regional needs in data processing occupations. We are now working with the National Farmers Union for needed rural manpower training on a regional basis in the States of Kentucky, Virginia, and West Virginia; plans are being completed for health occupations training at the Appalachia Hospitals, Inc.

7. State and local vocational educators have reached far beyond the local high schools for training facilities. Hotels, restaurants, stores, machine shops, garages, and business offices are examples of the involvement of private business in providing manpower training facilities. In Oregon, a trade association provided rent-free facilities for a very successful formal waiter training program. In another State, a college fraternity house was used to help train persons with sight disabilities. We have heard of rooms being used in very unusual places such as outdoor theaters. Private schools, community agencies, and the Defense Establishment have been tapped to provide institutional training facilities.

8. Residential manpower training centers have been the forerunner of Job Corps sites such as those in Indiana and Ohio where disadvantaged youth from large metropolitan areas were brought into a highly desirable training environment.

Mr. MONAGAN. Madam Chairman, will the gentleman yield?

Mr. DANIELS. I yield to the gentleman from Connecticut.

Mr. MONAGAN. I compliment the gentleman from New Jersey on the fine statement he is making. I agree with the points he is making.

Madam Chairman, I heartily approve of the objectives of H.R. 4257 and I strongly support this legislation.

Certainly one of the penalties which we pay for automation is the increased requirements for employment. The time has long past when the average unskilled laborer can walk into a factory and get a job based on the strength of his muscles. It behooves us, therefore, to assist in the upgrading of the working man to permit his gainful employment at a relatively skilled job. Not only does this assist the employee, but it also puts a potential welfare recipient in the ranks of the wage earners and taxpayers who are supporting our economy.

The Congress has set a goal of training 400,000 persons in the 3-year program and by the end of 1964 the Manpower Development and Training Act objective had nearly been reached. Training opportunities were brought not only to displaced older workers but to unskilled youth whose absorption into the labor force is increasingly difficult.

The present legislation will extend and modify the existing program to permit full Federal funding through June 30, 1966.

Already under the act it has been demonstrated that there exists in the country a vast, untapped potential for job development in a variety of service activities. These additional jobs would very likely remain unfilled without the activities that would be possible under this act.

This legislation will perform a necessary and unusual function in our complex industrial society and I am confident that its worth will be demonstrated increasingly as time goes by.

Mr. ASHBROOK. Madam Chairman, I yield 10 minutes to the gentleman from New York [Mr. GOODELL].

(Mr. GOODELL asked and was given permission to revise and extend his remarks.)

Mr. GOODELL. Madam Chairman, I do not intend to use the entire 10 minutes.

Having had an active role in the original development of the Manpower Development and Training Act, I take special pride that since its enactment we have had a bipartisan approach to changing the legislation and improving it. I believe it is one of the most effective pieces of legislation we have had to try to meet the problems of unemployment and the problems of poverty in this country.

I believe the bill as it is written takes the natural next step in extending the benefits of this program.

I also wish to express my satisfaction that this piece of legislation is beginning the process of bringing other training programs under the Manpower Development and Training Act.

We wrote, with great care, a number of amendments into the Manpower Development and Training Act of 1962 to be sure that we would have a minimum danger of scandals, to be sure that these programs would be directly related to the needs in an area, that they would be related to the existing educational facilities and training facilities, and to be sure that education would be separated from labor in the administration, and that the program would take care of those in greatest need first—those who are heads of households, heads of families, the breadwinners, and out of work.

Madam Chairman, I support H.R. 4257 which extends and further amends the Manpower Development and Training Act of 1962. This act is one in which I take a measure of personal pride and satisfaction because it contains so many important contributions by Republican members of the Committee on Education and Labor. In 1962, the Republican substitute bill which I authored was presented to the House and adopted. A total of 29 major changes were made in the administration's original proposal in 1962 by the Republican substitute.

Almost all of the criticisms of Federal manpower training efforts, upon examination, are found to be directed at other programs, such as those under the Area Redevelopment Act and the so-called poverty program. These other programs go astray because they lack the carefully devised safeguards and criteria established for the Manpower Development and Training Act at the insistence of Republicans, and with the cooperation of Democrats in the House.

Madam Chairman, I do not say this out of any partisan malice, but to emphasize the advantages to the Nation of genuine bipartisan action on important legislation designed to meet vital national objectives. Unemployment and its associated ills and miseries are of concern to every thinking citizen in both political parties; measures designed to combat these conditions need the constructive efforts of each of us, if such measures are to succeed.

I cannot help but compare the action of this act, where bipartisan cooperation has produced tangible benefits for America's unemployed, with the steamroller tactics evidenced in last week's debate on the school bill and in last year's debate on the poverty bill. The lesson should be clear that when constructive suggestions from the minority are heeded the result is effective legislation.

The Manpower Development and Training Act, as noted by the President in this year's manpower report to the Congress, has become one of the pillars of the Nation's manpower policy. While we should continue to scrutinize results under the act in order to find ways to improve its effectiveness, we may all take much satisfaction in accomplishments thus far.

About 380,000 individuals have received training under this act, some 60,000 of whom were in programs especially designed for individuals who first needed to acquire basic skills in order to profit from a training program. The job placement rates have been high—72 percent for institutional trainees and 94 percent for on-the-job trainees. These bare statistics are gratifying, but no statistic can adequately express the hope and dignity which a new job and a new opportunity brings to a human being who has known the despair of unemployment or the indignity of welfare.

I view this act as an investment in people in which the incidental benefits to our economy—substantial as those benefits may be—are a secondary consideration.

In my judgment, and in all fairness, these achievements would not have been realized had it not been for Republican contributions to the basic act. These contributions tightened the act with respect to the length of the training programs and the quality of the training, and assured that training was related to the job market; they focused training upon the unemployed and related train-

ing allowances to unemployment compensation; they drew a necessary distinction between education and training and assured that the appropriate agencies would be responsible for each. These and other Republican-sponsored features of this act account in large measure for its success.

The bill before us represents a continuing and bipartisan effort to further strengthen the act. I am sure that additional changes will be made as experience with administration of the act may prove desirable. For example, Republicans from the outset believed that State participation, on a matching basis, would be necessary to assure that manpower retraining would become a permanent feature of cooperative State-Federal-private efforts to combat unemployment. I regret that the States thus far have not been more responsive to their responsibilities in this regard. This bill, however, preserves the principle of State matching. I think that is a vital principle and, in more favorable circumstances, I hope to see it made more operative.

Madam Chairman, let me digress somewhat at this point to observe that the surest safeguard of our Federal system—sometimes mistakenly labeled as "States' rights"—is responsible State government which is eager to seize upon opportunities to serve its citizens. That is the way toward full and equal partnership in a federal system, and that is the principle we are attempting to preserve in this act. Responsible and energetic State and local government serves the cause of democratic self government, and should be of equal concern to Democrat and Republican, conservative or liberal.

This bill, by incorporating ARA training programs under the Manpower Act, controlled by the provision of Manpower Development and Training Act, also takes an important step toward consolidating our national efforts in manpower training. We must somehow abandon the notion that a proliferation of overlapping Federal efforts in any field increases our capacity to deal with urgent national problems. A scattering of effort has just the opposite effect; it confuses and weakens our attempt to accomplish worthy objectives. I shall continue to resist the unfortunate tendency of the present national administration to use a shotgun where a rifle is required, and I sincerely hope that the consolidation of programs in this bill is an indication of a change in direction.

In conclusion, I support this bill wholeheartedly, although it represents a variety of compromises of the viewpoints of majority and minority members of our committee. I am proud of the constructive Republican contributions to the development of this act from its inception. These contributions, of course, were made possible by the cooperative attitude of majority members, and by the constructive position of the Department of Labor. This is the way legislation should always be developed, because it is the way which serves the best interests of the American people.

Mr. CEDERBERG. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I should like to associate myself with the remarks of the gentleman from New York.

This program is an excellent program and is working well. It is a fine example of cooperation between the Federal Government and the State and local governments, along with industry and labor, in training, to provide training of our young men and women and some older men and women, to provide the skills which are in short supply around the country.

About 2 weeks ago I attended the graduating exercise of a class under this program, in farm equipment mechanics. I believe it is about the first class in the country to graduate. There were approximately 30 graduates. One large equipment manufacturer offered employment to every graduate of this class. They will find employment as a result of this program.

In the area of education, I believe this can do the very best job, along with vocational education. I want the record to show that once again I support the extension of this program. I believe it is well worth the effort made, on behalf of the Federal Government.

Mr. GOODELL. I thank the gentleman. I agree with him, and I appreciate his original support for the act when we passed it in 1962.

There are some things that need additional attention where we have some problems. I will not go into them in detail, but we still are not functioning effectively and properly with on-the-job training, meshing this into the normal employer operations of on-the-job training. We have corrected, I think, some of the inflexibilties of the original program as they developed from experience. I am hopeful that we can have a regular review of this program from year to year so that we may keep it attuned to the needs of our society.

I commend the members of this subcommittee for the hard work and the effective work that they have done.

One final point I feel should be made: we are moving away from the matching principle in this legislation. I personally want to express my strong feeling that eventually, as soon as it is practicable, we will have better administration and a more effective program by meshing the training under this act with State responsibility and State matching. In this bill we further postpone the matching and cut it down to 10 percent effective July 1, 1966. Hopefully in the future, as this program develops, we will be able to reintroduce in a more substantial way the matching principle.

Mr. HARVEY of Indiana. Madam Chairman, will the gentleman yield?

Mr. GOODELL. Yes. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I want to compliment this committee and particularly this subcommittee on this bill they have brought out. As a former teacher of vocational agriculture, I have, of course, a lot of faith in the necessary place that vocational training occupies in fitting into our educational system. Particularly I want to associate my remarks with those of the gentleman from New York concerning the matching principle and participation by the States. As one who taught under a program of that type, under the Smith-Hughes Act, where you have matching funds, you get a joint responsibility as between the Federal, State, and local authorities, which, in my opinion, makes for a better program and a more effective one.

Madam Chairman, I thank the gentleman for yielding.

Mr. GOODELL. I thank the gentleman for his comments.

Mr. QUIE. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Minnesota.

Mr. QUIE. Madam Chairman, I want to take this time to commend the gentleman from New York for the work he has done on the Manpower Development and Training Act from its inception. I well remember the great work he did on the number of amendments which were added to the Manpower Development and Training Act making it a far superior piece of legislation than was first considered when the bill was sent up here by the administration. I understand that the administration was a little concerned as to what it might be able to pass up here. Neither did it have the kind of insight that the gentleman from New York had and which is really necessary for the retraining of individuals who have already gone into their careers but find that they have obsolete careers.

I think that our country will always be indebted to the great work which the gentleman from New York did in developing the Manpower Development and Training Act and the continued interest he has to make certain it does operate well and does provide the kind of training which is still needed as long as we have structured unemployment in this country.

Mr. GOODELL. I thank the gentleman and I want to express my appreciation for his original support for the act, the work that he is doing and for the magnificent way he has carried out the tradition of bipartisanship in making a major Republican contribution to this legislation as an active member of the subcommittee this year.

Mr. O'HARA of Michigan. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Madam Chairman, I want to commend the gentleman from New York, the gentleman from Minnesota, and all the other minority members of this subcommittee for the tremendously constructive contributions they have made to the creation of this program and to its improvement and strengthening since its creation. I can recall serving with the gentlemen on the subcommittee which was the precursor of the subcommittee which eventually acted on this program. I recall their constructive contributions then, and I want to say that I know of no committee in this Congress that has en-

joyed more active bipartisan support than this one. I think the gentleman from New York, the gentleman from Minnesota, and the gentleman from Ohio and their colleagues are to be complimented for the work they have done on this bill.

Mr. GOODELL. I thank the gentleman and I want to say that bipartisan support can only be effective if it comes from both sides of the House and we have had some of the finest cooperation in reaching the agreement on the amendments that we have made to this legislation. I am sure the gentleman will agree with me that the experience in this program thus far amply justifies bipartisanship.

Mr. O'HARA of Michigan. If the gentleman will yield further, I will say that I could not agree more.

Mr. PICKLE. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. PICKLE. Madam Chairman, I would like to say to the gentleman that I agree with the point he has been making on the matching principle. I recognize that the States are limited in their resources, perhaps, at this time, and that all we can do is to go to a 90-to-10 ratio in cash or kind. But I envision a better program when we can put this on a more solid matching basis so that the States, if they want the program—and apparently they do—will participate on a realistic level.

When I was in Texas before I came to the Congress I was a member of the Texas Unemployment Commission and I had the privilege of helping put into operation the Manpower Development and Training Act program on a State level. We brought together the factions in the State—business, education, labor, employment—and with our advisory committee we set down certain guidelines.

In the 3 years that this program has been in operation we have trained nearly 3,000 young trainees and over 2,000 of them have secured worthwhile jobs. This has been in over 50 occupations. So it has been a worthwhile performance. I have pushed it. I think it is a good program. I agree with the statements that have been made. The matching principle is sound—to have the States participate with the Federal Government. If we do not, we are saying that this is strictly a national problem, that there are no State lines and that there is no State basic responsibility in this training program. With that I do not agree. I think that along with the unemployment compensation program, and the employment commissions this ought to be kept as closely to a State program as we can make it.

If we say that the matching principle means only that it is strictly Federal then in effect we are saying that this problem is a national problem and that the State boundaries have no part in this discussion. With that I do not agree. I think our State program is stronger in the field of compensation and unemployment by keeping it controlled by the State and that in this Manpower Development and Training Act program the State should participate strongly. I hope we may look forward to that end.

Mr. GOODELL. Madam Chairman, I think the gentleman has made an excellent statement and I thank him for that contribution. The matching principle is important because so many of the existing programs must be meshed and interwoven with this program. We must have a high degree of State involvement as far as the vocational education system is concerned. We wrote that in through the original Republican amendment insisting that the training should be, to the extent possible, in the institutions of the vocational education system. Cerainly, as the gentleman has indicated, eventually we must have a better meshing of this program with the unemployment compensation program. This will come about, presumably, if we get more State matching and State participation in this program.

Mr. PICKLE. Madam Chairman, if the gentleman will yield further. Obviously they intended that this be kept along State lines because the amount of money was based on the average weekly pay received in that State. You have added to it by giving extra help for dependents, and so forth, but it certainly must be maintained on a State level.

Mr. GOODELL. I might say that we have had a bipartisan feeling on the committee and the subcommittee that the matching principle was important and I am sure, as much as we are able to in the future, we will reincorporate this to the greatest extent possible.

(Mr. CLEVELAND (at the request of Mr. WYDLER) was given permission to extend his remarks at this point in the RECORD.)

Mr. CLEVELAND. Madam Chairman, I think the gentleman from New York [Mr. GOODELL] is much too modest in describing what he terms "Republican contributions" to the original Manpower Development and Training Act. The other day a very distinguished member of the majority, the gentleman from Missouri [Mr. BOLLING], remarked in a Rules Committee hearing that the gentleman from New York [Mr. GOODELL] is the father of this act.

In fact, the 1962 act passed the House as H.R. 8399, but the complete text of the bill was that of H.R. 10363, introduced by the gentleman from New York [Mr. GOODELL], who was a member of the subcommittee responsible for the legislation.

Madam Chairman, I call your attention to the CONGRESSIONAL RECORD of February 28, 1962, page 2789. The Clerk was reading the substitute for H.R. 8399 offered in the Committee of the Whole House by the gentleman from Pennsylvania [Mr. HOLLAND]. The following colloquy is quoted from the RECORD:

Mr. POWELL (interrupting the reading). Mr. Chairman, I ask unanimous consent that the substitute be considered as read, and be open to amendment at any point.

Mr. GRIFFIN. Mr. Chairman, reserving the right to object, I should like to inquire as to whether the substitute the gentleman from Pennsylvania now offers is the same as H.R. 10363, the bill which was introduced by the gentleman from New York [Mr. GOODELL]? Is it identical in all respects?

Mr. HOLLAND. It is identical.

The foregoing excerpt from the RECORD refers to the bill which became the Manpower Development and Training Act.

Madam Chairman, in all fairness, this act should be known as the Goodell Act, or as the Goodell-Holland Act. The gentleman from New York has never sought to have the Manpower Development and Training Act thus identified, but he deserves this recognition, as does also the gentleman from Pennsylvania.

Whenever I hear the grossly false accusation that "Republicans are always opposed to things" I think particularly of the untiring, unselfish efforts of the gentleman from New York on behalf of the millions of our fellow citizens who are unemployed, or underemployed, due to their lack of training in marketable skills. There are many, many other examples of constructive efforts by many other Republican Members in many other vital fields, but the example given by CHARLIE GOODELL always comes to my mind first.

What has been the constant intent of the gentleman from New York, as again exemplified here today? It has been to make this legislation effective. That is the role of constructive legislators, and it serves the American people, whatever their political persuasion.

Madam Chairman, the title of a bill does not indicate its merit. You can call sloppy and ill-conceived, or even unworkable legislation by any name, however high sounding—take, for example, the war on poverty—without changing its character. The Manpower Development and Training Act is effective legislation and is working well for our country, in very large measure, because the gentleman from New York determined that is should be so.

So we Republicans are proud of our colleague and of his fellow Republicans on the committee who aided him in this task. I think that our Democratic colleagues can share this pride, for efforts such as those of the gentleman from New York reflect credit to the great institution which is this House, and to the concepts of representative democracy.

Mr. O'HARA of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. BRADEMAS].

(Mr. BRADEMAS asked and was given permission to revise and extend his remarks.)

Mr. BRADEMAS. Madam Chairman, I rise in support of H.R. 4257, the Manpower Act of 1965. I would like to relate to this body what I have seen to be the human and economic significance of the manpower training program to our unemployed workers in South Bend, Ind. I would like to describe briefly what has come to be known as the South Bend story.

I might say that what would be even better—and I extend an open invitation to all of my distinguished colleagues—would be for you to come to South Bend

and see for yourself the operations of our manpower training classes.

Last April, President and Mrs. Johnson visited our manpower classes. They were deeply impressed by what they saw, and the President was moved to say:

> We have gone through this school and have been stimulated and inspired by what we have seen—men and women who have lost their jobs but not their determination * * *. They are working and preparing themselves to do a better job today than they did yesterday * * *. When I get back to Washington, I am going to say to the leaders of that great capital that I wish they could come here to the heartland of America and see what the people are doing for themselves.

I would like to call attention to a key phrase in what the President said, "what the people are doing for themselves." It is, of course, true that the Manpower Act provides Federal assistance, but what is vital to the success of manpower training programs is the initiative and proper planning of local and State officials and the enthusiastic response and desire of the enrollees themselves.

Following enactment of the Manpower Development and Training Act of 1962, a manpower retraining advisory committee was formed in South Bend composed of local representatives of industry, labor, the employment service, and education. This was a broadly based and very enthusiastic group.

Through the outstanding and speedy efforts of this committee, one of the first manpower development and training programs in the Nation was begun in South Bend on September 24, 1962. The program was, and is presently, administered jointly by the South Bend Community School Corp. and the local Indiana Employment Security Division office.

The program, begun on a small scale, provided our unemployed with new skills and new hopes for the future of themselves and their families. Remember, however, that this was a pioneer program in our country in those latter months of 1962, and administering officials were soon to find ways in which a good program could be made even better.

For instance, it was soon discovered that some individuals were unable to move immediately into training classes because they lacked sufficient basic education. For the older enrollees, only brush-up or review classes might be adequate. For the younger enrollee, remedial courses in reading, writing, and arithmetic would be necessary to correct the lack of educational attainment.

Accordingly, Franklin D. Shurz, chairman of both the Indiana State and St. Joseph County Manpower Advisory Commissions, testified before the House Education and Labor Committee in support of amending the Manpower Act to authorize literacy classes to prepare those insufficiently educated for occupational training. This important amendment was enacted in 1963.

Fortunately, by December 1963, South Bend's manpower training program had over a year of experience and improvement behind it. I say fortunately because that month the Studebaker Corp. closed its gates on more than 8,000 workers and moved to Canada. This meant that about 9 percent of the county's labor force was suddenly jobless. Greatly aggravating the tragic circumstances was the fact that the average age of these unemployed workers was 54. And contrary to what might be thought, because the workers were up in age, they averaged more than one child each under the age of 19. It was, indeed, a crisis situation.

President Johnson immediately issued directives to several members of the Cabinet and Federal help was quickly on the way. During the early months of 1964 the splendid cooperation of Federal, State and local officials accomplished much in taking immediate first steps in ameliorating the problems of our unemployed.

One of these first steps was to accelerate and expand greatly the Manpower Development and Training Act program. Time was of the essence to prevent this temporary economic retardation from developing into a longrun unhealthy condition. One objective of the Manpower Development and Training program—"To occupationally train the individual to his potential pinnacle within the most effective period of time"—become strikingly meaningful and timely.

By March 1964 the Manpower Development and Training Act program was geared organizationally and equipped with facilities, equipment and technical instructors to handle this acceleration. Within this period of 3 months following the Studebaker closing, courses were instituted to serve over 430 trainees. Today there are 31 manpower training courses in operation with a total enrollment of 600 trainees.

Madam Chairman, I would not even venture to guess how much more serious our unemployment situation in South Bend would have been without the tremendous assistance of the Manpower Development and Training Act program. During the time the program has been in operation, over 1,500 men and women have been enrolled in training projects. About 1,000 of these people were enrolled within the past year. Of those who have completed training, 70 percent have training-related jobs.

One hundred people were selected for the prevocational, or basic education, training course. Of these, 81 remained for the 36-week training period. All of these removed their functional illiteracy deficiencies and successfully passed appropriate pre-entrance examinations for vocational training. They were then enrolled in regular vocational courses to complete their training.

Because there is a substantial number of people with similar deficiencies that are currently unemployed and cannot successfully compete in the labor market nor enter regular vocational training projects, another prevocational project is being developed to serve 100 people.

Unemployment in St. Joseph County jumped to over 10 percent following the Studebaker closing. The February rate of unemployment in the county, the latest month for which figures are available, was 6.2 percent. This is still too high; but it is a great improvement, due in no small measure to the success of the Manpower Development and Training Act program.

What I hope that I have illustrated by relating to you the South Bend story is that the Manpower Development and Training Act program has rekindled hope for our unemployed workers, taught new skills to young and old, brought men and jobs together, and saved our community millions of relief dollars.

The valuable experience gained from the pioneer manpower training programs in South Bend has been extremely helpful in demonstrating where improvements could be made in the existing law. The amendments to the Manpower Development and Training Act program proposed in the bill before us will make a good program even better and hopefully continue to help attack the problem of unemployment in South Bend and elsewhere in the Nation.

I insert at this point in the RECORD the text of an editorial from the March 22, 1965, South Bend Tribune concerning this legislation:

NOT A CURE-ALL

The U.S. Senate has passed a bill authorizing a 5-year continuance of the Manpower Development and Training Act program and providing continued Federal underwriting of most of the program's cost.

The House is expected to pass a similar bill shortly, and the manpower extension act could turn out to be the second big economic measure of 1965 to reach President Johnson's desk.

Rather than allow the Federal share of the costs of the Manpower Development and Training Act to fall to two-thirds this summer, the new legislation would continue to have Washington carry the full cost through mid-1966, when the Federal share would dip to 90 percent, the remainder to be furnished by the States. Other technical changes are included in the bills.

It is encouraging to see the 89th Congress, which is setting some kind of record for getting down to business, putting its stamp of approval on the Manpower Development and Training Act, which has proved to be one of the most worthwhile pieces of legislation to come out of Congress in the last half-dozen years. The Senate vote for the program was 78 to 8.

If there is a danger in all this, it is that too much might come to be expected of the Manpower Development and Training Act. It was never meant to be a cure-all, but some of its supporters and some of its critics are beginning to talk as if it was.

The Manpower Development and Training Act, which retrains unemployed persons in new skills to fit available job openings in their areas, cannot by any stretch of the imagination be considered the complete solution to the unemployment problem in this country. Yet in the Senate floor debate the other day, the program was attacked, on the one hand, for not eliminating unemployment. On the other hand, it was overenthusiastically defended by Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, as a program that will eventually cure the unemployment problem.

The causes of unemployment in this country are complex. No one program or approach will cure the problem.

It would be unfortunate if Americans came to expect more from the Manpower Development and Training Act than it is designed to deliver. It is not a cure-all. But it's a big help, and it will be a bigger help still as the years go by.

Mr. O'HARA of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. DENT].

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Madam Chairman, I would like to say it would be remiss I believe if I did not at this time call to the attention of the Members of the House the fact that late in 1960, after the 1960 elections, my colleague of some 20 years in the State senate and house in Harrisburg, the gentleman from Pittsburgh, Pa., Mr. ELMER HOLLAND, the sponsor of this act, came down to Washington and from November until January worked, after consulting with the then President, the late President John Kennedy, and after talking to the chairman of the House Committee on Education and Labor, the gentleman from New York [Mr. POWELL], he and his good wife came down to Washington and with his wife and his staff, they worked for a period of about 7 weeks in making the preliminary studies and in getting this legislation into a position where it could be introduced.

Madam Chairman, from that time to this the gentleman from Pennsylvania has lived with, he has fought for, and has devoted most of his time in this House of Representatives to this particular subject.

Madam Chairman, it is a tribute to this House of Representatives and to the people of this great Nation of ours that dedicated men like Mr. HOLLAND will take their time and devote their efforts and energies to a field that up until that moment had been completely neglected.

Madam Chairman, I want to say while paying tribute to Mr. HOLLAND that he had in these last months, since he has been ill, the great right hand of the gentleman from Michigan [Mr. O'HARA] who has been stalwart in his support and in his efforts, and the great left hand, as it may be, of the gentleman from New York [Mr. GOODELL], who has also given of his own knowledge that this legislation could continue.

Madam Chairman, we really do not know, unless we live in a district where there has been longtime chronic unemployment and depression, what this particular bill means to the working people of this great Nation who find themselves, through no fault of their own, eliminated from the active work ranks due to their lack of ability to perform because of the the lack of skills which they had no opportunity to learn.

Madam Chairman, I want to say that in my opinion this is a great moment in this House of Representatives, that we have again an opportunity to make the necessary amendments in order that this legislation may continue.

Mr. GOODELL. Madam Chairman, will the gentleman yield at that point?

Mr. DENT. Yes, I yield to the gentleman from New York.

Mr. GOODELL. Madam Chairman, I wish to join with the gentleman from Pennsylvania [Mr. DENT] in paying tribute to the gentleman from Pennsylvania [Mr. HOLLAND].

The gentleman from Pennsylvania [Mr. HOLLAND] has taken, from the very beginning with reference to this legislation, a completely nonpartisan view. This illustrates the remarkable stature of the man, that he was willing to accept suggestions and major changes from all sides in an effort to improve the legislation.

Madam Chairman, the history of the enactment of this law demonstrates that it is I believe a monument to every individual who had a part in it, and certainly the gentleman from Pennsylvania [Mr. HOLLAND] himself can take special pride in this as the man who made a major contribution to the enactment of this legislation.

Mr. DENT. On behalf of the gentleman from Pittsburgh [Mr. HOLLAND], I thank the gentleman from New York.

Madam Chairman, in our national effort towards solving the problems of unemployment and underemployment, the Manpower Development and Training Act has proved to be an effective and efficient piece of legislation. Of course, it is only part of the total picture which also includes such important pieces of legislation as the Vocational Education Act of 1963 and the Area Redevelopment Act along with other constructive efforts, such as the poverty program.

According to a recent survey of some 500 economists by the Chase Manhattan Bank of New York, 37 percent of the professors said that unemployment is the main problem of our country. The Manpower Development and Training Act program has proved itself to be worthy of continuation as set out in the measure now before the House. The Manpower Development and Training Act program is, to my way of thinking, exactly like a sharpshooter's rifle. With it we can take an accurate sight on our targets of unemployment and underemployment and, working with the States, bring to bear our joint efforts to use all types of educational institutions, public and private, to train people for jobs.

The Manpower Development and Training Act program does not, in the long run, cost money. Actually, it represents an investment in the future productivity of our citizens. In this day of automation all workers must be prepared for continuing education. No worker can afford to stop learning. Hence, jobs, employment and education are inexorably linked.

According to a recent survey by the well-known pollster, Lou Harris, which appeared in the Washington Post, Thursday, March 25, 1965, financial worries are the toughest problem in securing sufficient education. Of the people polled, 48 percent stated that finances were the main problem.

Madam Chairman, with the help of these 1965 amendments to the Manpower Development and Training Act we can continue to invest in the people of our Nation. An outstanding example of such investment was presented to the Holland subcommittee in the course of the hearings on this measure. At an investment of $474.19 per trainee a stenographer program was carried on under contract by the Detroit Institute of Commerce—a private business school. Out of 24 trainees, 20 were Negro and 4 were whites—18 trainees responded to a followup survey showing white-collar employment in such national corporations as: Jones & Laughlin Steel Co.; Prudential Insurance Co.; Vickers, Inc.; Sears, Roebuck & Co.; Ford Motor Co.; Chrysler Corp.; Burroughs Co.; General Motors.

The average earnings of the graduates of this program are $323.72 per month. On the basis of one deduction from a trainee's annual salary of $3,884.64 each of these Manpower Development and Training Act graduates will pay $456.80 in Federal income tax. In other words, the income tax paid in the first year after graduation just about equals the cost of our investment in human productivity and dignity.

Madam Chairman, if there is no objection I would like to have entered into the RECORD, the full report on this Manpower Development and Training Act project conducted at the Detroit Institute of Commerce which I might add is a wonderfully rewarding example of a forward looking, fully integrated private business school:

MANPOWER DEVELOPMENT TRAINING CLASS (MT–284) FOR STENOGRAPHERS AT DETROIT INSTITUTE OF COMMERCE, 1308 BROADWAY, DETROIT, MICH.

(As reported to United Business Schools Association meeting in Detroit, Mich., November 6, 1964.)

We began the manpower development training program for stenographers (MT–284) on November 18, 1963.

The Michigan Employment Security Commission (MESC) had selected the students on the following basis:

Age: 17 through 21 years; sex: female preferred; education: graduation from high school with course in typing and shorthand; physical attributes: weight in proportion to height; ability to pass prescribed proficiency test in spelling, shorthand and typing and specific aptitude test battery for stenographer.

B–215 norms: G (intelligence), 95; P (form perception), 100; Q (clerical perception), 100; K (motor coordination), 100.

Class hours were from 8 a.m. to 3 p.m., 5 days a week for 24 weeks—or 720 clock hours.

These hours were divided as follows:

Stenographic and clerical skills, 375 hours.

English and communications, 125 hours.

Computational skills, 120 hours.

Clerical-secretarial procedures, 80 hours.

Transcribing and duplicating machines, 20 hours.

Subjects included in the program were typewriting Gregg shorthand, machines (comptometer, Burroughs calculator, ditto, mimeograph), English, word studies, mathematics, payroll, secretarial procedures, charm and personal improvement.

At the end of the 11th week, one girl dropped voluntarily. She was to be married. At the end of the 12th week, two were dropped for poor attendance which meant poor grades.

At this point, three more students were entered and they completed the remaining 12 weeks of training. One of these three was put into a clerk-typist program, two others were changed to clerk-typist because of slow progress in shorthand.

The program ended on May 8, with 24 of the 25 enrolled. Four of these girls were Caucasian, 20 Negro. The one girl dropped at the end of the 17th week because she found employment, a stenographic job.

The attendance and interest in study was excellent. There were absences only when necessary—five of the students had perfect attendance.

These students had looked for employment and found themselves unable to pass tests, therefore, they were "motivated" to get the most out of the program.

Statistics on the group are interesting:

The average age—18.8 years.

Twenty were graduates of local public high school.

Five were graduates of local parochial schools.

Two were from suburban schools (Ecorse and Hamtramck).

One graduated from a high school outside of metropolitan Detroit area.

Ten graduated from high school within the last year.

Eight graduated between 1 and 2 years earlier.

Ten had graduated over 2 years earlier.

Ten had office work experience (three full-time jobs, seven part-time).

Compensation ranged from $1 an hour to $45 a week. Others had little or no work experience, babysitting, store clerks, etc.

Before completing the program, we gave the students the Wonderlic and the general clerical (9 part) tests.

On the Wonderlic (with a highest possible score of 50) only 3 scored below 21, which is the average cutoff score used by most businessses. All of these scores are considered passing by most businesses utilizing Wonderlic for personnel selection. On the general clerical test they ranged from the 94th to 40th percentile group.

Interestingly enough, two persons who were below the 50th percentile on the general clerical had high scores on the Wonderlic test.

Typing skills ranged from 76 to 53 words on 5-minute tests. Everyone passed shorthand at 100 words per minute and 8 passed the 120 words per minute. Even though we had to score in terms of words per minute, these girls would also be rated very high in the neatness of their work, letter arrangement on 8½ by 11 or executive size paper, etc. A property framed letter became a byword to them.

The class in charm and personal improvement made these students very conscious of their appearance and gave them a feeling of confidence, too.

EMPLOYMENT

Even though MESC was responsible for the placement of these students, the school assisted. When employment calls were received they were given an opportunity to apply. Placement assistance will continue with this group as with all other students.

A survey of these students was made as of November 1, 1964. Eighteen replies were received.

Employment listed was as follows: one at Jones & Laughlin Steel Co.; one at Ford Motor Co.; four at University of Michigan; one at Prudential Insurance Co.; two at Wayne State University; two at Chrysler Corp.; two at attorney offices; one at Wayne County Civil Service; one at Vickers Inc.; one at Burroughs Co.; one at Sears, Roebuck & Co.; one at General Motors.

They are all doing stenographic work. The average earnings are $323.72 per month or $74.70 per week. If each girl has one deduction from her annual salary ($3,884.64) she will pay $456.80 income tax.

For this training program the school received 65.859 cents per hour of training or a total of $474.19 per student. This included all books and supplies. After all taxes are deducted there is left more than $3,000 from which they can save, and purchase durable and nondurable goods.

We feel that this was a wonderful project. We will like to do more of this type of training, since we have a physical setup that is adequate and an experienced staff. Most of all, we have a desire and a willingness to help students of this type who want to prepare themselves for a better job in business.

As we said earlier, the MESC selected the students after determining the employment need. The State department of public instruction selected the school. Both of these agencies were most cooperative and it was a pleasure to work with them.

Madam Chairman, according to the Department of Labor there are more than 10 million persons employed in clerical occupations and the number should increase by 1970 to nearly 13 million. The training available under the Manpower Development and Training Act covers both initial or entry training and refresher and upgrading. A most perceptive article on office education appeared in the March 1965 issue of the American Vocational Journal. In passing, I might add that the AVA has testified in support of this measure. It is on the subject of "Office Education, a Partner in Vocational Education" by Bernard Shilt, director of business education, Buffalo, N.Y., and a vice president of the American Vocational Association. Mr. Shilt points out that training for office careers covers a multitude of institutions all which can be used by reason of the language and amendments to this bill. They include our secondary schools, technical schools, private business schools, and junior and senior colleges.

Madam Chairman, if there is no objection, I would like to have entered into the RECORD the article on office education by Mr. Shilt:

OFFICE EDUCATION: A PARTNER IN VOCATIONAL EDUCATION—A GROWING SEGMENT OF THE NATION'S WORK FORCE CLAIMS VOCATIONAL STATUS

(By Bernard A. Shilt, director of business education, Buffalo, N.Y.)

Many educators and most laymen think of vocational education as a program restricted to the preparation of persons for skilled or semiskilled trades, such as auto mechanics, printing, electronics, and the like. However, there is a type of vocational education which enrolls more high school students than all the other types of vocational education combined. It is office education, the preparation of persons for employment in the so-called clerical occupations.

Probably because most of this type of education is found in the academic or general high school, many people do not think of it as vocational education. Nevertheless, the preparation of persons to be stenographers, typists, and clerical workers is certainly vocational education.

SIZE OF CLERICAL WORK FORCE

The importance of office education in the total program of vocational education is easily seen when one takes a look at the number of persons employed in the field of office (clerical) work.

Information recently released by the U.S. Department of Labor indicates that there are approximately 10.3 million clerical and kindred workers. They represent about 15 percent of the total number of employed workers, the second largest employment group of the Nation. This figure (10.3 million) also represents an increase of 5 percent among clerical workers in a 2-year period.

The U.S. Department of Labor estimates that by 1970 there will be 12.8 million persons employed in this clerical occupational group. This estimate is based on the growing amount of paperwork required of businesses by the Government and the consequent need for increased clerical workers by Government at the local, State, and Federal levels.

Another factor points up the problem of our educational programs in meeting the future needs for clerical workers. Approximately 70 percent of the clerical workers are women. Surveys indicate that, on the average, a woman who enters office work for the first time remains 3.2 years before leaving for marriage, raising a family, etc. Thus there is an unusually heavy demand for replacements among women office workers, in contrast to men, who remain on the job considerably longer.

TYPES OF CLERICAL WORKERS

The "Dictionary of Occupational Titles" lists several hundred different job titles for clerical and kindred occupations (1–00.00 through 1–49.99). It defines this group as "including occupations concerned with the preparation, transcribing, transferring, systematizing, or preserving of written communications and records in offices, shops and other places of work where such functions are performed. Most of these occupations are performed by mental and manual processes but some include, in part or in whole, the operation of such machines as bookkeeping machines and calculating machines."

The jobs that provide employment to the largest number of persons are those of typists, stenographers, bookkeepers, file clerks, office machine operators, and general office clerks. Among these job categories, the most rapidly growing is that of the office machine operators.

OFFICE EDUCATION PROGRAMS

Occupational preparation for careers in business takes place on the high school level, in private business schools, in junior colleges, and in the 4-year colleges and universities.

The largest percentage of students preparing for officework is found in the high schools. Office training is extremely popular at this level. In high schools, especially in the larger cities, one usually finds that 25 to 30 percent of the students are enrolled in office education programs. The high schools of New York State, alone, currently enroll more than 400,000 students in business subjects.

Training at this level prepares students for such beginner's jobs as typists, stenographers, general office clerks, office machine operators, file clerks, and bookkeepers.

In most cases, the officeworker who received her basic office training in high school can advance to higher jobs after proving her abilities through a few years of experience and/or by taking advanced courses in business.

The early high schools in this country were concerned principally with academic education—preparation of youth for college. To fill the need for trained officeworkers, private business schools were organized. The first formal private business school seems to have been Foster's Commercial School, organized in Boston in 1827. The principal subjects taught during that century were bookkeeping, penmanship and business arithmetic; and nearly all of the students were men.

The typical private business school of today provides a wide variety of curriculums, such as accounting, business administration, secretarial (general, medical, legal, and technical), stenographic, data processing, and marketing. Generally, there are more women than men students. Nearly every school now requires high school graduation as an entrance requirement. The smaller schools usually provide only a 1 year intensive business training course, while the larger schools normally offer both a 1- and 2-year program.

In recent years there has been a rapid growth in the number of junior colleges offering 2 years of post-high school education. A large percentage of these institutions are public (largely supported by public taxes), but a considerable number are private. In most of these schools there are one or more business curriculums, the most common being the secretarial. Several junior colleges have established the business administration curriculum and the data processing curriculum. The satisfactory completion of a curriculum in such educational institutions usually earns an associate degree for the graduate.

Business training on the higher level is found in the universities and 4-year colleges. Schools of business administration in the universities usually provide for majors in such areas as accounting, economics, management, industrial relations, and marketing. Such programs are thought of as being professional and are designed primarily to prepare students for junior executive positions in business. Graduate programs in the field of business are offered in the larger universities.

OCCUPATIONAL MIX

Business and office education can make a contribution to other areas of vocational education. For example, in agricultural education there is need for some instruction in bookkeeping and business arithmetic. Even some exposure to business law is important to acquaint the farmer with the fundamentals of such topics as landlord and tenant relationships, employer and employee relationships, buying equipment on the installment plan, insurance contracts, and mortgages.

Similarly, business and office education can add strength to such other vocational education programs as auto mechanics, radio and television servicing, tailoring, service station operation, the distributive specialities, and home economics. Educators in the field of business and office education can be of aid in developing units of instruction in these areas of vocational education.

Madam Chairman, the Manpower Development and Training Act program can effectively contribute to the upgrading, with dignity, of all the people of our country. As the committee noted in its report on the measure, in quoting the testimony of the noted economist John Kenneth Galbraith before the Joint Economic Committee:

The primary remedy for this unemployment * * * is better education, more job training, more deliberate job creation for youngsters, and an equal break in education and employment for Negroes.

I do not wish to emphasize office education at the expense of other areas of opportunity, but I would point out that according to the U.S. Office of Education 16 percent of the employed of our Nation's manpower are in clerical occupations. I would also point out that with examples such as the program at the Detroit Institute of Commerce, where 20 out of the 24 trainees were Negroes, the way is clear with the Manpower Development and Training Act to provide hope and dignity for our citizens by voting for a continuing investment in them through similar programs in other such institutions. Entry to white collar occupations can be provided through Manpower Development and Training Act.

In summary, I would like to reaffirm my remarks to the House made on the 1963 amendments to the Manpower Development and Training Act on December 12, 1963. In that bill and in this measure we have made it possible for the States to continue to use all educational institutions, public and private, to continue the success of the Manpower Development and Training Act program. This is particularly true concerning the use of private institutions under contract beginning July 1, 1966, when the 90 to 10 ratio goes into effect on payments for institutional training.

Let us keep open wide the door to full utilization of all educational institutions, both public and private, so that the Nation will have available the continued use of all valuable sources of training expertise and by the continued use of both public and private schools we will get more training for our investment of program dollars. I urge you to concur.

Mr. O'HARA of Michigan. Madam Chairman, I yield to the gentleman from Kentucky [Mr. PERKINS] such time as he may consume.

Mr. PERKINS. Madam Chairman, I rise in support of this legislation. I happen to represent a district where we have one of the highest unemployment rates in the whole Nation in the coalfields of Kentucky.

I have personally witnessed the great work that the employment opportunities made available to the many unemployed of eastern Kentucky since the enactment of this legislation a few years ago.

Madam Chairman, I actively supported the passage of the Manpower Development and Training Act in the 87th Congress. For many, it represents a necessary second chance to prepare for job opportunity. For many others, it represents a first chance.

Before the advent of automation it was possible and highly acceptable for the breadwinner to enter a full lifetime occupation requiring little or no basic education or skill. Technology has changed all of that. Until the enactment of the Manpower Development and Training Act, many thousands of unemployed persons in many districts had no opportunity to support their families and at the same time pursue a course of training which would pave the way for them to secure a job.

To say that the Manpower Development and Training Act in its initial years of operation did not measure up to our full expectations is no condemnation of the act nor of its administration. The task ahead is monumental. Much has been accomplished. Much more remains to be done. At this point I would like to insert in the RECORD summary data relative to the program's operation in Kentucky as of the close of the fiscal year 1964:

MANPOWER DEVELOPMENT, RETRAINING, AND RESEARCH ACTIVITIES IN KENTUCKY

Summary data cumulative through June 30, 1964—Program approvals to date

	Trainees and individuals served	Estimated cost	Number of projects
Retraining projects, total	6,048	$13,488,583	115
Manpower Development and Training Act:			
Institutional	6,015	13,476,765	108
On-the-job	33	11,818	7
Experimental and demonstration			
Manpower research projects			

Participation as a percent of U.S. retraining approvals:	
Trainees	2.4
Funds	5.5
State unemployment (1963) as a percent of U.S. total	1.4
State work force (1963) as a percent of U.S. total	1.5

Summary data for projects completed through Dec. 31, 1963

Enrolled in completed projects	488
Percent completed	78.5
Dropouts	105
Completed	383
Employed	83.0
Training-related jobs	68.1
Non-training-related jobs	7.8
Dropped out training related	7.0
Unemployed	13.3
Other (including awaiting referral)	3.7

Projects approved under Manpower Development and Training Act through June 30, 1964

Project No.	Labor market area or county	Occupational goal	Duration (weeks)	Trainees or persons serviced	Total funds
	INSTITUTIONAL				
3049.000	Ashland	Appliance serviceman	52	18	$34,345
3015.000		Automobile mechanic	52	15	28,309
4303.000		Clerk-stenographer	44	20	43,771
4249.000		Clerk-typist	44	20	46,222
	Total (4)			73	152,647
3016.000	Bowling Green	Automobile-body repairman	52	24	64,271
4245.000		do		18	47,299
4211.000		Cook (hotel and restaurant)	50	28	91,578
3060.000		Draftsman, mechanical	52	16	48,652
4217.000		Farmer, general (agriculture)	52	20	44,974
	Total (5)			106	296,774
3070.000	Bowling Green, Elizabethtown, Glassgow	Sewing machine repairman	32	24	52,511
4240.000	Cincinnati (Covington)	Clerk-stenographer	44	20	33,502
3004.000	Cincinnati (Kentucky portion)	Automobile mechanic	44	36	47,406
3003.000		Stenographer	26	36	29,609
	Total (2)			72	77,015
4265.000	Corbin	Clerk-stenographer	44	20	47,165
4266.000		do	44	20	40,788
4263.000		Machinist	52	18	52,282
4264.000		Welder, combination	44	18	58,476
	Total (4)			76	198,711
4231.000	Covington	Automobile mechanic		18	50,062
4237.000		Machinist		18	55,950
	Total (2)			36	106,012
4241.000	Eastern Kentucky (Appalachia)	Multioccupation		3,296	8,433,441
4295.000	Elizabethtown	Automobile-body repairman	52	18	60,836
4235.000	Frankfort	Clerk-stenographer	44		59,654
3024.000		Electrician	52	18	52,405
3023.000		Nurse aid	13	24	9,932
	Total (3)			42	121,991
4244.000	Glasgow	Automobile mechanic		16	48,372
3062.000		Clerk-stenographer	44	15	19,945
3052.000		Farmhand, general	20	20	15,139
	Total (3)			51	83,456
3035.000	Harlan	Automobile mechanic	52	18	47,991
3061.000		Automobile-body repairman	52	18	50,070
3069.000		Repairman, mine	52	30	81,770
	Total (3)			66	179,831
4298.000	Hazard	Automobile-body repairman	52	18	57,263
4222.000		Clerk-stenographer	44	20	56,594
4284.000		do	44	20	34,180
3034.000		Draftsman	52	18	40,361
4285.000		Draftsman, commercial	44	18	32,689
4286.000		Office-machine repairman	52	18	51,686
	Total (6)			112	272,773
3053.000	Hazard-Harlan-Corbin	Forester aid	36	40	89,277
3014.000	Henderson	Tool and die maker	50	18	97,527
3031.000	Hopkinsville	Automobile mechanic	52	18	42,632
3030.000		Refrigeration mechanic	52	18	38,657
	Total (2)			36	81,289
3027.000	Jackson	Automobile mechanic	52	15	43,031
3009.000	Lexington	do	52	15	33,718
4229.000		do	52	18	46,657
3006.000		Clerk-stenographer	44	40	71,884
4220.000		do	44	40	56,713
3025.000		Draftsman, mechanical	52	18	41,172
4246.000		do	52	2	16,176
4234.000		Machinist	52	18	53,868
4243.000		Salesperson, automobile parts		40	37,490
3043.000		TV service and repairman	52	18	45,123
	Total (9)			205	402,801
4209.000	Louisville	Auto-body repairman, metal	52	20	66,169
3037.000		Clerk-typist	18	120	44,604
4202.000		do	18	80	40,155
3056.000		Dental assistant (medical service)	36	20	42,259
4208.000		Janitor	6	40	9,319
3044.000		Motor analyst	16	72	32,575
3008.000		Nurse aid	13	24	8,908
3029.000		Nurse aid, geriatrics	6	75	8,231
4310.000		Nurse, practical, licensed	50	36	81,899
4297.000		Reproduction specialist	44	31	90,780
3038.000		Stenographer	18	120	32,549
4201.000		do	18	80	29,767
4210.000		Transmission repairman (automobile service)		36	55,550
4206.000		Waitress	4	50	7,220
	Total (14)			804	549,985

Projects approved under Manpower Development and Training Act through June 30, 1964—Continued

Project No.	Labor market area or county	Occupational goal	Duration (weeks)	Trainees or persons serviced	Total funds
4247.000	Madisonville	Automobile-body repairman	52	18	$56,863
3033.000		Nurse, practical, licensed	50	20	30,064
4315.000		do	50	20	55,720
	Total (3)			58	142,647
4204.000	Mayfield	Nurse, practical, licensed		20	44,946
3058.000	Maysville	Clerk, general office	44	20	35,187
3050.000		Farmhand	20	20	19,356
3040.000		Nurse aid, geriatrics	6	24	3,110
	Total (3)			64	57,653
3039.000	Maysville-Morehead	Automobile mechanic	52	30	87,956
4215.000		Farmhand, general	52	20	63,721
	Total (2)			50	151,677
3046.000	Middlesboro	Automobile mechanic	52	18	39,907
3005.000	Morehead	Cabinetmaker	52	35	133,068
3041.000		Clerk-stenographer	44	20	26,650
	Total (2)			55	159,718
3026.000	Owensboro	do	50	18	20,561
4230.000		do	44	18	40,102
3065.000		Electrical appliance serviceman	52	18	43,658
3013.000		Millman	52	18	39,677
3075.000		Office-machine serviceman	50	18	35,303
3076.000		Welder, combination	44	14	44,829
	Total (6)			104	224,130
3045.000	Paducah	Automobile mechanic	52	18	40,156
4258.000	Pikeville	Automobile service station mechanic	52		73,401
4259.000		do	52	18	58,765
4214.000		Clerk-stenographer	44	20	46,838
4260.000		Welder, combination	44	36	122,478
	Total (4)			74	301,482
3018.000	Prestonsburg	Automobile mechanic	52	30	67,454
4271.000		do	52	18	50,782
3022.000		Clerk-stenographer	52	30	68,494
3020.000		Electrical appliance repairman	52	14	28,863
3019.000		Refrigeration and air-conditioning mechanic	52	14	33,147
4274.000		Television repairman	52	18	53,361
3021.000		Welder, combination	52	14	50,043
4275.000		do	44	18	65,263
	Total (8)			156	417,407
4213.000	Somerset	Clerk-stenographer	44	20	40,769
4269.000		Maid, general	8	20	8,400
4218.000		Radio-TV announcer	34	18	53,901
3010.000		Woodworker, carpenter	52	16	38,729
	Total (4)			74	141,799
3032.000	Whitesburg	Automobile mechanic	52	30	74,672
3048.000	Winchester	Auto-body repairman	52	18	74,353
3028.000		Automobile mechanic	52	15	33,929
3057.000		do	52	18	60,393
3055.000		Electrical appliance serviceman	52	18	61,870
3011.000		Machine repairman	52	15	42,559
3017.000		Sewing machine operator	4	40	4,119
3051.000		do	4	20	2,108
3047.000		Stenographer	44	40	67,830
	Total (8)			184	347,161
	Total, institutional (108)			6,015	13,476,765
	ON THE JOB				
4207.000	Henderson	Tool and die maker	36	5	4,450
3006.000	Logan County	Finisher	12	1	205
3003.000		Molder operator	24	2	820
3005.000		Shaper operator	24	5	2,049
3004.000		Variety saw operator	12	5	1,025
	Total (4)			13	4,099
3001.000	Munfordville	Sewing machine operator	8	11	2,181
3002.000		Wrapping machine operator	8	4	1,088
	Total (2)			15	3,269
	Total, on job (7)			33	11,818

The proposed amendments will make the program more effective and in my judgment are essential to its continuation. I actively supported the committee amendment extending the terminal date until June 30, 1968 and to continue the 100-percent Federal financing until June 30, 1966.

In many States and areas where the program is most urgently needed, financial resources are not available to finance any part of the cost at this time. Also of great importance are provisions of the bill which call upon the Secretary of Labor to stimulate and assist job-development programs to fill unmet service needs. Every effort should be extended to fully identify job opportunities in areas where there are large numbers of unemployed people.

The liberalization of training allowances under title II will provide the necessary flexibility to reach particularly needy cases. Provisions in the new legislation to permit payment of daily commuting costs will be extremely meaningful in the eastern Kentucky districts which it is my privilege to represent. In many instances, trainees have to travel great distances over bad roads in order

to obtain the benefits of the program. Under the most ideal circumstances their participation represents considerable hardship and sacrifice. This provision will open the door for many unemployed persons who cannot now find the means to enroll.

Particularly crucial to the ability of the Manpower Development and Training Act program in eliminating unemployment are the provisions of the original act as amended to reach the hard-core unemployed. A full opportunity must be afforded to provide basic educational skills in conjunction with vocational training. In this connection the amendment authorizing payment of allowances up to a maximum of 72 weeks for individuals taking advantage of this aspect of the program is extremely important.

I would strongly urge the passage of H.R. 4257 as amended by the committee so that the opportunities created by the original legislation may be expanded and the work started by the Manpower Development and Training Act can be completed.

It is my great pleasure to compliment my colleagues on the Committee on Education and Labor for bringing this important piece of legislation to the floor of the House. Particularly I wish to compliment the distinguished author of the bill, the gentleman from Pennsylvania [Mr. HOLLAND], and his and my colleague the gentleman from Michigan [Mr. O'HARA] who has rendered such great service and who has done such an outstanding job on this bill as has the gentleman from New York [Mr. GOODELL], who has supported the program beginning with its original introduction. The gentleman from New Jersey [Mr. DANIELS], the gentleman from Illinois [Mr. PUCINSKI], the gentleman from Florida [Mr. GIBBONS], and the gentleman from Maine [Mr. HATHAWAY], deserve high praise for their work on the subcommittee which handled the bill.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Madam Chairman, I want to commend the Committee on Education and Labor for bringing this legislation to the floor of the House today. I supported this Manpower Development and Training Act in 1962, and also when it was expanded in 1963. The bill we are considering today, sponsored by our colleague from Pennsylvania [Mr. HOLLAND] is a good bill. The gentleman from Pennsylvania [Mr. HOLLAND] is to be commended, and also the other members of the committee on Education and Labor are to be commended for this legislation which will further expand the good work that the bill has been doing for providing additional employment in the last few years.

In my industrial congressional district we have received great advantages by reason of the training provided for thousands of workers to enjoy employment and income.

I hope this legislation will be passed unanimously today.

Mr. O'HARA of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. SICKLES].

(Mr. SICKLES asked and was given permission to revise and extend his remarks.)

Mr. SICKLES. Madam Chairman, I would like to add my voice to those who have perviously recognized the leadership provided by the gentleman from Pennsylvania [Mr. HOLLAND] in this important field of legislation.

A number of important and new provisions of H.R. 4257 have been commented on by my distinguished colleagues. I fully support passage of this bill, and, at this time, I would like to call your attention to one of its most interesting provisions—the job development program.

I believe the job development program holds great promise for eroding the mountain of human and economic waste created by the unmet demands for jobs and workers in the service industries. It seems to me a wise move to pinpoint this neglected but fertile area of our manpower utilization growth. It seems almost a certainty that the need to match jobs and the jobless in this area will be unfilled unless additional steps are taken to develop jobs in conjunction with the required training and stimulation of new enterprise.

H.R. 4257 contains a proposed amendment to title I of the Manpower Development and Training Act which would give the Secretary of Labor specific direction and authority to realize the possibilities in this area by using on-the-job training, and other suitable methods, in cooperation with both public and private interested agencies. I understand that exploratory work has already been undertaken, and that more substantive work will evolve as soon as the stimulus provided by this bill is available.

Another interesting provision of title I, to which I would now like to direct your attention, is the proposed section 105 concerning "Trainee Placement Assistance Demonstration Projects." It poses a novel but practical approach to an old problem which is: How does a person with a police record find an employer who will take a chance on hiring him? The proposed amendment gives the Secretary of Labor authority to establish a pilot program to assist in placement of qualified persons, but to whom employment is denied primarily because of difficulty in securing bonds for idemnifying their employers against loss from theft or embezzlement.

The impetus for this project stems from the Manpower Development and Training Act experience with youths who have juvenile records. Up to now, these workers were generally placed in jobs which do not require bonding, and the results of these efforts have been very encouraging. However, this placement policy necessarily excludes a whole range of job opportunities which, for instance, require handling money or licensing—and consequently bonding. Jobs in a variety of appropriate occupations, including various sales positions, are virtually closed to these workers.

This amendment would permit the Secretary of Labor to explore effectively ways to open these opportunities to youth who were once occupationally untrained juvenile offenders but who are now rehabilitated and trained members of the work force. The amendment does not suggest that the Secretary will go into the business of merely urging placement of delinquents. Rather, he will use this authority as another possible effort to salvage the talents of all manpower resources without regard to factors which may no longer bear substantially upon job performance.

The amendment would provide some bonding authority at the Federal level to supplement bonding by private carriers. As suggested by the relatively small authorization of $200,000 in fiscal year 1966 and $300,000 in fiscal year 1967, the size and scope of the experiment is modest, indeed. However, it will give us authority to gain demonstrable experience—be it good or bad—in placing persons with juvenile records for offenses against society. I believe it is a measure worth trying in matching available jobs with willing and eager workers.

Mr. O'HARA of Michigan. Madam Chairman, I yield 5 minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Madam Chairman, I would like to discuss one of the most important features of H.R. 4257: its provision with respect to non-Federal matching funds.

The bill before us today postpones any State matching requirement to June 30, 1966. After that date, Federal funds will continue to finance 100 percent of the cost of the weekly subsistence allowances paid trainees, but the Federal contribution will be reduced to 90 percent of the instructional and other costs of the institutional training projects under title I.

Let me make clear that this provision of the bill is not the provision that was reported by the Select Subcommittee on Labor to the full Committee after the Subcommittee's 8 days of hearings on H.R. 4257. During those hearings, I and the other members of the subcommittee received an impressive array of testimony from witnesses who strongly urged us to continue the Manpower Development and Training Act as a permanent, 100-percent federally financed program. The case in favor of completely eliminating any non-Federal matching requirement was a powerful one—and the subcommittee responded by reporting a bill that provided complete Federal financing, for all costs of the Manpower Development and Training Act program.

During our discussion of the bill in full committee, however, members of the minority proposed—and the committee accepted—an amendment which reestablished the principle of non-Federal matching. This amendment is incorporated in the bill now before the House. The matching provision in this bill, therefore, represents a reasonable compromise worked out in Committee between those of us who would have preferred complete Federal financing and

those who believed it necessary to preserve the requirement that a share of the cost be met by the individual State.

Madam Chairman, there can be no doubt that any matching conditions which called upon the States to bear a larger proportion of the costs than we have provided in this bill would inevitably force us to cut back—and cut back sharply—the level of our manpower training in many States. This is a fact that we must face squarely and frankly. It was quite clear to our committee that there were only two alternatives—either to develop a non-Federal matching provision that was within the financial capacity of our individual States to meet, or else allow a great deal of the manpower development and training program to go right down the drain.

Our subcommittee, during its hearings, received more than ample evidence on this point. Secretary of Labor Wirtz and representatives of the Department of Health, Education, and Welfare, submitted to us letter after letter they had received from State Governors and other responsible State officials, urgently requesting that the matching requirements for Manpower Development and Training Act either be done away with entirely or greatly reduced. These letters point out something of which everyone in this Chamber must be well aware—that the terrific financial pressures which bear down upon our State and local governments, as they struggle to meet the soaring costs of educating our young people, are simply making it impossible for the great majority of our States to consider taking on a large share of the costs of manpower training under the Manpower Development and Training Act.

I will not fill the record with facts and figures to demonstrate a point that is familiar to all of us. But let me remind the Members of this House that the bonded indebtedness and other debts of our States and local governments had reached a total figure of more than $92 billion at the end of the last fiscal year—and that this figure was three times the level of a dozen years earlier. In a period of only 12 years, that is, State and local debt approximately tripled. This is a rate of increase in debt which not only vastly exceeds the relatively gradual rate of increase in the Federal debt, but—and this is especially significant—greatly exceeds the rate at which the incomes of our citizens have been growing. When we measure it against the size of our income, State and local debt loom far larger today than it did a few years ago.

The fact is that our State, and local governments have had to do more and more, and at such a pace, that they are facing a really critical problem in finding adequate tax revenues. At the same time that we in this Congress were putting through a substantial cut in Federal corporate and personal income tax rates, last year, State and local property tax rates, income tax rates, and sales tax rates were continuing to be forced up. And they will continue to be forced up even further—not because the States are seeking to take on new programs and new responsibilities, but just to enable them to provide the services for which they are presently responsible.

To see the rate at which the pressures on State revenue sources are mounting, we can look at two recent years for which we now have final and complete data. From fiscal year 1962 to fiscal year 1963, the States managed to increase their general revenues by approximately 8.7 percent. This was an impressive achievement—and yet State general expenditure rose even more rapidly, by almost 10 percent. If we examine for these same 2 fiscal years, 1962 and 1963, the four functions which account for about 80 percent of State government expenditure, here is what we find: State spending for education rose more than 11 percent between these 2 years; spending for highways rose more than 11 percent; spending for public welfare rose by approximately 8 percent and for hospitals about 7 percent.

I need hardly add that these are very sharp rates of increase from one year to the next, and that our States are terribly hard-pressed for ways to squeeze out enough additional tax revenue to keep up the pace.

Allow me to illustrate this problem by a reference to my own State of Florida. In my State, it is estimated that State expenditures for education in the biennial period, 1963–65, will be about $487 million. For the coming biennial period, 1965–67, our State legislature, which meets this year, is being requested to provide $624 million for education. This budget request represents an increase of no less than 28 percent over the previous period.

Madam Chairman, the inability of the most of our States to meet a large matching requirement for the manpower development and training program in no way reflects a lack of interest or concern for this program. On the contrary. As I stand here now, I could read to you letters and telegrams from Governors and leading officials of the great majority of our States, expressing their satisfaction with this program, telling us of what it has already accomplished in their States, and calling upon us to take the steps necessary to make certain that the Manpower Development and Training Act program is not allowed to shrink and wither away for lack of funds. The southern Governors' conference for example, at it annual meeting in October, passed a resolution—by the unanimous vote of the 17 Governors present—which cited the benefits that manpower development and training has brought to our Southern States, and petitioned the Congress and the President to continue 100-percent Federal financing of this program until much more progress has been made in reducing the great reservoir of uneducated and untrained persons that the South has inherited from past generations.

Before I conclude, let me discuss briefly several aspects of manpower development and training which make it particularly appropriate that the Federal Government bear the primary financial responsibility.

The causes of unemployment are not local in origin—but national. All of us realize that the amount of unemployment in a community or in a State is greatly influenced by forces that originate beyond the State or local boundaries. This has become increasingly the case as our economy has developed more and more into a nationally integrated economy, and as the continued employment of ever-greater numbers of our workers is subject to the decisions made in the headquarters of great national corporations and in the Department of Defense. Accordingly, it is only equitable that the lion's share of costs of training and retraining our unemployed workers be shouldered by the Nation as a whole, rather than by the individual State or community, whose level of unemployment is usually due to forces largely beyond its own control.

We should also remember that training under the Manpower Development and Training Act program has never been intended to be exclusively for job opportunities that are located in the State of the trainee's residence. The majority of the Manpower Development and Training Act training program graduates, it is true, will find jobs in their own States—but a significant minority will move elsewhere, once they are trained. And it is not difficult to understand that a State will be naturally reluctant to finance a large share of the training of workers whose new skills are going to be put to use only outside the State's borders.

Another feature of the Manpower Development and Training Act program that calls into question the practicality of a large State matching share is the fact that many training projects have been, and will be, established in metropolitan areas which are natural centers for drawing in groups of trainees from two or more different States. Examples come easily to mind—the New York-northeastern New Jersey area, the Chicago-northern Indiana area, St. Louis, the Philadelphia-Camden, N.J., area, or the Washington, D.C., metropolitan area. If the States are required to finance a large proportion of the Manpower Development and Training Act training, there is a very real danger that they will prove unable to cooperate effectively in working out arrangements for dividing fairly among themselves the costs of any training projects which take in residents of more than one State. The result, of course, may be a fragmentation of the program into smaller training projects which are confined exclusively to trainees living in a single State.

For all these reasons, I have no hesitation in supporting the matching provision which we have written into this bill. It maintains the requirement of a non-Federal contribution, but not at such a level as to endanger the vitality of the Manpower Development and Training Act program. I, for one, believe that it would be a tragic and indefensible policy to deny unemployed American workers the new hope and opportunity that the Manpower Development and Training Act program can hold out to them, simply because they happened to be residents of a State that was unable to bear a large share of the costs of the program. The matching provision that we have in

this bill guarantees that the manpower development and training program will remain alive not just in some of our States—or in most of them—but in all 50 of them.

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Madam Chairman, I yield myself 10 minutes.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Madam Chairman, the economists have disagreed on the persistent cause of unemployment which has prevailed during the last few years. However, there has been very little disagreement among observers of our current market situation that a large number of the unemployed are inadequately prepared to enter the current labor market, particularly in the occupations which have been expanding most rapidly in recent years. Long-term unemployment, that is, continuous unemployment lasting 26 weeks or longer, has averaged half a million a year since 1958, and the number of those unemployed for 15 weeks or longer has been 11 million. Many of them have not been able to return to their industries and occupations. There exists, therefore, a stagnant pool of hundreds of thousands of persons who need new skills and retraining to help them participate in the American economy.

We have heard from the Department of Labor that there are more jobs going unfilled than there are unemployed in the country. We have also heard that when a person begins his occupation in a semiskilled job he can look forward to four or five occupational changes during his lifetime.

Mr. COLLIER. Madam Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. COLLIER. Can the gentleman tell me to what extent a study has been made on the subject of chronic alcoholism as it affects this problem?

May I just add at this point, from the figures I have been able to secure from the departments that there are actually over a million-and-one-half men between the ages of 21 and 45 who, because of this disease of chronic alcoholism, would not be available to enter the labor market even if jobs were available for them. It seems to me, this is certainly a large enough number to make this a very important factor in this employment figure that we so often hear.

Mr. QUIE. I could not tell you what studies have been made at the national level. I am familiar with the studies we have made in Minnesota. But this is not the question the gentleman asked. If the gentleman has any information available that he can submit for the RECORD, I think it would be very helpful to us and helpful to the department as well. But if the Department of Labor has done anything on chronic alcoholism, as it affects unemployment, I am not aware of it.

Mr. COLLIER. I would only submit in the light of the growing problem and when you speak in terms of unemployment that certainly this must be a consideration and this must be a factor which has a very dominant effect on the unemployment figures. Yet, for some reason, I have sensed at least that there is little or no discussion of the effect of alcoholism in its relationship to the number of unemployed in the country when, in fact, it is a very important factor.

Mr. QUIE. I thank the gentleman for bringing this to our attention because there are other factors too that we have not been seriously considering. We have studied the Manpower Development and Training Act and its impact on unemployment. But I know of none on mental retardation and mental illness. Mental illness is a factor in unemployment, of course, that is very large in our country.

As we look at the problem, however, of the unemployed and the fact that there are some adults who can be retrained, there is a necessity to retrain people for employment not only in their own area but there are many individuals who no matter what their training could not find employment in their own area and there is a need for them to learn skills just to find employment elsewhere in the State. Or another factor that is important, they would be required to leave the State to find employment if they are properly skilled. Therefore, the Federal Government becomes involved in this being interested in unemployment and being involved in unemployment compensation.

In 1962 the Manpower Training and Development Act was adopted by the Federal Government to provide assistance and incentive to go into the retraining as we have seen now operating in a number of instances.

This was amended again in 1963 and I believe the work that was done by a number of men who have been mentioned so far today should be mentioned again—the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. HOLLAND], and the work he has done and his closest sidekick in this, the gentleman from Michigan [Mr. O'HARA]. As I mentioned earlier, I think on our side one who provided outstanding changes in the bill and gave great strength is the gentleman from New York [Mr. GOODELL].

From this we now see a record in the Manpower Development and Training Act which I think is so good and so well developed that we ought to extend the act and make some changes in the act as we are providing in this legislation. Whatever its shortcomings, it emphatically is not merely another Federal welfare or handout program designed to relieve, without curing, some of the more unsightly and superficial aspects of poverty and despair resulting from being continuously out of work. Its purpose rather is to provide effective means for dealing successfully with, and eventually eliminating the basic causes of such unemployment.

It should not be forgotten that a concern by the Federal Government for improving the productive skills of our people did not originate in 1962 with the passage of the Manpower Development and Training Act. It has a much longer history.

The Federal Government manifested its concern almost 50 years ago by enacting the Smith-Huges Vocational Education Act in 1917. This legislation provided for the Government to share part of the costs involved in meeting labor market demands for skills which were felt to be in short supply. During the following half-century, Federal aid for vocational education was expanded on several occasions in the George-Barden Act of 1946, title VIII of the National Defense Education Act, the Vocational Education Act of 1963, the Area Redevelopment Act, and the legislation which we are here proposing to amend.

In 1963, some 4 million youngsters and adults participated in the federally supported vocational education programs. However, this seemingly impressive total vastly exaggerates the real contributions of traditional vocational education to the acquisition of sorely needed skills. These federally supported programs of vocational education have tended to emphasize such actvities as home economics and training for agricultural occupations. In fact, these two areas alone accounted for about two-thirds of all of the enrollees in the entire program.

The Manpower Development and Training Act constituted a new departure—an attempt to grapple with the unmet manpower needs of a highly complex and rapidly changing technical economy while simultaneously providing a hope of reabsorption into the productive life of the Nation for those whose skills had become obsolete or whose occupations had vanished.

The program has been in existence for less than 3 years. It is much too early to express any definitive conclusions about its effectiveness. But there is sufficient evidence to indicate that the prospects are hopeful and that many of those who are receiving training under the act are succeeding in finding jobs in which their newly acquired skills are being utilized. I regret that the committee report did not contain more information in the form of specific examples of what has been accomplished since the original enactment of the law in 1962.

However, shortly after the report was filed, an event occurred which not only constitutes a substantial contribution to the success of the program, but is a manifestation that important segments of American industry are eager to cooperate. I refer to the job-training contract entered into between the Government and Chrysler Corp. I would like to quote from the news story concerning this development which appeared in the Daily Labor Report published by the Bureau of National Affairs on March 18, 1965:

> The largest Federal on-the-job training program negotiated to date is announced by Labor Secretary Wirtz and Commerce Secretary Connor, recently directed by the President to administer the job development program in the service industries.
>
> The new program begins with a contract between the Government and Chrysler Corp.

to train 1,000 previously unemployed workers as automobile mechanics and auto-body repairmen while they are on the job at Chrysler dealerships on a starting wage of about $1.50 an hour, the announcement states.

The contract was signed by Chrysler President Lynn A. Townsend and the two Cabinet members in a ceremony in Wirtz' office.

The initial contract is expected to continue at least 3 years and to include another 1,000 workers later. The cost of the first phase is $7,850,000, of which the company and its 6,300 dealers will contribute $6,463,000. The Government will contribute the remainder.

Wirtz terms this agreement, under the Manpower Development and Training Act, "one of the most significant developments to date in the growth of the job development program."

The program will begin among dealers in Chrysler's Detroit, Cleveland, Pittsburgh, and Cincinnati sales regions. It will be expanded later to include dealers in regions such as New York City, Philadelphia, Atlanta, Chicago, Kansas City, Los Angeles, and Portland, Oreg.

The trainees will be employees of franchised dealers. Any union relationship this may involve will be a local matter between the dealer and any local bargaining unit to which his employees may belong.

Three unions are said to have some dealers' mechanics organized in major cities: the Auto Workers, the Machinists, and the Teamsters.

The average hourly wage rate for journeymen mechanics with Chrysler dealers is about $3 in most areas, the Wirtz-Connor announcement states.

The length of the training courses will vary from place to place, as worked out with individual dealers, and may be as long as 3 years, according to a Labor Department spokesman.

Local offices of the Employment Service will screen and test the jobless workers applying for the training. The Wirtz-Connor announcement adds:

"Once selected by local Chrysler Motors dealers, individual workers will be employed on a full-time basis, but will also receive additional nighttime instruction in automotive repair at local vocational educational facilities. Needed equipment at such facilities will come directly from Chrysler, and from funds allocated by the Department of Health, Education, and Welfare. That allocation will also include the cost of nighttime, supplemental instruction to trainees."

Secretary Connor has these prepared comments about the new program:

"This administration is convinced that the best way to provide job training as a means of generating increased employment for young and old is through the normal channels of the private enterprise system. It is now possible, under the Manpower Development and Training Act, for private industry and the Federal Government to work together to provide training in a normal working environment and on a scale big enough to be meaningful.

"I want to express our appreciation to the Chrysler Corp. for responding so quickly and affirmatively to President Johnson's call for a job development program to enlarge economic opportunities for our citizens."

Secretary Wirtz adds:

"The purpose of that program is to enable unemployed and underemployed workers to capitalize upon the evident job opportunities in many service and service-related fields. We are now producing automobiles at a rate that taxes our ability to provide trained personnel to service them. Some suggestion of this demand is found in the fact that courses in auto repair have consistently outpaced those for any other occupation for male trainees under the Manpower Development and Training Act.

"The participation of the Chrysler Corp. in this project may be regarded as a sign of the increasing interest in expanding job opportunity in the service industry, and filling immediate unmet needs, by major American employers. As such, this contract is to be doubly welcomed."

Madam Chairman, I am particularly impressed by the overwhelmingly huge proportion of the cost of the project's first phase which the employer, Chrysler Corp., has agreed to assume. Its share will be more than 80 percent, that of the Federal Government less than 20 percent. And that division of responsibility, which I think a highly desirable one, calls attention to one aspect of the amendments made by the committee bill which troubles me a little.

The Manpower Development and Training Act as written when it first became law in 1962, provided that before the act expired, the States were to make substantial matching contributions as a condition to receiving Federal funds during the last years of the program. Unfortunately very few of the States acted to assume their proper responsibilities. As a result, the law was amended in 1963 and the practical effect of the 1963 amendments was to relieve the States of any obligation to make any financial contribution whatsoever for the life of the statute.

The committee bill, as originally introduced in the present Congress, realistically faced the problem created by the apparent apathy of the States, and in extending the program, among other things it substantially reduced the matching requirements for the States. The bill provided that the Federal Government was to bear 90 percent, the States only 10 percent, of the costs of the various training projects and programs set up under the act. However, during the hearings, most of the witnesses testified in favor of eliminating all matching requirements and having the Federal Government assume the financing of the entire cost of the program.

A small number of witnesses, among them Prof. Richard Lester, of Princeton University, recommended that the 10-percent matching requirement should be retained. Professor Lester felt that it was desirable to give the States a sense of concrete participation in the program which would carry with it a sense of responsibility on the part of the States for the success of the program. The subcommittee decided, however, to eliminate the matching requirements in toto. This troubled me, and for precisely the reasons described by Professor Lester.

As a result, I discussed the matter with the acting chairman of the subcommittee, the gentleman from Michigan [Mr. O'HARA], and it was agreed that in the full committee I would offer an amendment to retain some element of matching and that the acting subcommittee chairman would support the amendment.

My amendment provides for the retention of some element of financial participation by the States. It is a compromise between what the bill originally proposed and the subcommittee's decision to eliminate the matching requirements entirely. It requires the States to contribute 10 percent of the costs of training programs, but relieves them of any obligation to bear any of the costs of the living allowances paid to trainees. These are borne entirely by the Federal Government. The full committee accepted my amendment and it is included in the bill as reported.

I regret that the States have not shown the willingness of a large private enterprise like Chrysler Corp. to assume more of the financial burden of the program; and this despite the fact that the contributions originally asked of them were so much smaller in proportion. However, Chrysler's willingness to cooperate bodes well for the future of the program.

I think that the amendments made by the committee bill are justified despite the briefness of the experience we have had with the act. The general summary of the results of the program to date, set forth on page 3 of the report are most heartening. But I do wish to express the hope that after we have learned more about the results of the program as time goes by, we will give more thought to possible changes in the law to encourage an even greater degree of participation by private industry of which the Chrysler Corp. project is so striking an example.

After all, what we are trying to do is effectively to meet the manpower needs of our rapidly changing economy. The achievement of this goal is just as important to American enterprise as self-respect through productive employment is to our unemployed and to the health of American society as a whole. I can think of none who are better qualified to see, yes to foresee, the labor needs of our productive system. But even self-interest sometimes requires an additional stimulus, and often requires material help. I look forward to possible future amendments in the manpower program which will provide real incentive to private industry in the form, perhaps, of tax credits or deductions. The possibilities are many, and I sincerely hope that the Congress will give them its serious attention as the manpower program develops.

Some people have questioned the fact that the Department of Labor moved slow and did not try to make a great record fast and, therefore, make a number of mistakes.

Some people wonder why they took so long to get into operation. I would say this is a commendable thing that the Department of Labor did make sure of its ground as they did in the States before they got into operation. We now have a number of these programs in Minnesota.

I heard from Raymond V. Nord, director of vocational education, consultant in industrial education, Minneapolis public schools, the following:

Currently, we have 160 students in training under the manpower development and training program. These students are recruited by the employment service from many parts of the State and are individuals who would not seek vocational education unless they were paid a subsistence through funds made available under the manpower development and training program. These programs are operated in the late afternoon

and the evening. The Minneapolis public schools make the Central Vocational School, valued at between $6 and $8 million, available for the Manpower Development and Training Act classes. We have, at times during the past year, utilized certain training facilities in our vocational school for Manpower Development and Training Act classes 21 out of 24 hours, to accommodate the expanded program requested by the local employment service.

With the training program action just suggested, I find the vocational technical schools have been ready immediately to take action.

Mr. Thomas W. Raine, director of the Winona area vocational-technical school, says:

Winona Technical School is at present offering 5 courses under the Manpower Development and Training Act in the area of auto-body repair, general office clerk, highway technician, stenography, and welding. We have been most successful, in cooperation with Winona Employment Service, in recruiting, training, and placing unemployed or underemployed men and women in employment in their areas of interest.

In Albert Lea, Minn., under Director Norman K. Bailey, they have some excellent courses which stand out. I notice that the Department of Labor has made special mention of these programs. One is an 8-hour-a-day course in stenography, which includes typing, shorthand, mathematics, English, and filing. A second is a course in drafting, using modern equipment. The teaching style is one of exposure rather than actual classroom teaching. It is exposure to the work they will be doing. This course takes care of 15 men.

Then they have an 8-week sales training course. Here the students are learning for themselves. The teacher uses textbooks, but spends a great deal of time letting the students "sell" things to each other. On the whole, the students have shown great maturity and responsibility. Attendance is good because the students choose to be there, not because they have to be. Most look at it as a job.

I believe that these programs have proven themselves well.

There are a number of other programs. There is one in Red Wing for boot stitchers, because we have a shoe company operating there.

Also in Red Wind, there is a woodworking machine operator program, a case coverer program, and a case framer program.

In the movement of technological type employment into my district, we are able to train many of the unemployed or the underemployed to find occupations in these expanding jobs. I believe this speaks well for the program.

Mr. HALL. Madam Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Missouri.

Mr. HALL. As one who voted against this program originally, I intend to support the bill today, for the reasons the gentleman had so well stated; second, because I have been in the field and have checked the progress of the very type of training programs mentioned, and their development; and third, I believe that the duplication and overlap of the original 11 agencies has been, as a result of the work of this committee, well straightened out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHBROOK. Madam Chairman, I yield 5 additional minutes to the gentleman from Minnesota.

Mr. QUIE. I yield further to the gentleman from Missouri.

Mr. HALL. The gentleman from Illinois asked a question awhile ago about the effect of alcohol on the end result of this fine principle of a program of retraining and development to suit vocational needs. Having served as a consultant in this area for many years, I appreciate those principles.

I believe the question of relocation is probably much more vital than the question of disease, including alcoholism, in the effectiveness of the program. I know of many instances where people have been retrained at considerable expense to qualify for a needed occupational specialty but have not then seen fit to relocate where the demand was present and the jobs were available. Indeed, the gentleman in the well said awhile ago that there are more job descriptions open than there are people to fill them among the unemployed.

I wonder if this relocation is not a factor, and if it is to be incorporated in this or future studies?

Mr. QUIE. This relocation question is incorporated in this legislation in the studies. There will be some demonstration programs in relocation. From that we can gain experience on how best to enable these people to pull up roots from a community and make a fresh start in a different area. The experience developed from this legislation will enable us to make positive improvements in our whole employment picture.

Mr. HALL. I thank the gentleman. Would the gentleman agree with me that regardless of the various programs we may have in certain given areas—if for no other reason than the leaching of the soil and nonrestoration—there always may be pockets where we will have to relocate people if we train them for the job vacancies of the Nation.

Mr. QUIE. The gentleman is absolutely correct.

Mr. PIRNIE. Madam Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. PIRNIE. I should like to state that in our district, which was one of the earliest areas to implement the act, we had a very excellent result. We were able to place 496 people into new jobs within 1 year.

The programs have been well received in the community. All of the agencies have cooperated and new programs are being provided. So, therefore, I am very happy that this program is receiving consideration through the action which will be taken here today.

Mr. QUIE. Madam Chairman, I thank the gentleman from New York, and I would like to make a comment about one feature of this bill that I have talked about previously, and I know a number of my colleagues here have also; namely, bringing the retraining program of the ARA under Manpower Development and Training Act. We have too frequently fragmentized Federal programs in the past, and when we can bring two of them together and achieve the coordination and cooperation that we can through bringing these two together, then I think it will enable us to do a much better job.

The next step that I hope will be taken is to bring the retraining in the Trade Expansion Act, under the Manpower Development and Training Act so that it can be consolidated under one head and so that a much more efficient and effective job can be done.

I also point out in this bill we retain the principles of State sharing which will go into effect after June 30, 1966. On this occasion and on one other occasion we changed the matching formula in the bill. The original bill passed in 1962 provided 50 percent State matching would be in effect by now. The act we are operating under at the present time provides one-third State matching after June 1965. Because the States have been unwilling to assume their share of the Manpower Development and Training Act it is necessary for us to extend 100 percent Federal financing for another year. I hope that we will always at least maintain the principle of 10 percent of State matching on the training program. I say this because the States must assume a good portion of the responsibilities of this program if it is going to expand to the end that we can retrain most all of the people who need this because of unemployment or underemployment. With this expansion it would not make any sense for States to run a separate State program from the one the Federal Government is involved with. So, with the matching funds principle in mind, we can come back 2 or 3 years from now and take another look at the program and see if the States cannot share in a greater amount than 10 percent under this bill.

I wish to thank the gentleman from Michigan [Mr. O'HARA] for his assistance in my efforts to retain in this part of the bill the principle of State matching, because we do have a certain amount of autonomy and sovereignty among our States yet. When they continue to accept at least some portion of the responsibility, I think the programs function in a much better way.

(Mr. SPRINGER asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. SPRINGER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ASHBROOK. Madam Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. CAHILL].

(Mr. CAHILL asked and was given permission to revise and extend his remarks.)

Mr. CAHILL. Madam Chairman and Members of the Committee, as one who originally supported this legislation, I am happy again to pledge my support of the pending bill. I think generally this pro-

gram has met with the approval of all segments of the population of our country. However, I wanted to bring to the attention of the House a complaint about this program which was made to me just about 2 or 3 weeks ago by a group of personnel managers from the State of New Jersey. Their objection was this: There is not sufficient liaison between the administrators of this program and the employers of the country. One of the men, for example, advised me that he had been seeking to employ some 40 people in a factory where all that was required was the basic skill of a machine operator. It was nothing that required any tremendous know-how, but it did require some weeks of training. Their objection seemed to be that, the Secretary, and those who are administering the program are not fully aware of the needs of the community on a continuing basis, because these needs change from time to time.

I note in reading the report that Secretary Wirtz is quoted as saying on page 9:

> This proposal will be carried out in closest cooperation, not only with all appropriate Federal agencies * * * but with management and labor and local community representatives.

So I have taken this time to address a question to the gentleman from Michigan [Mr. O'HARA] or the gentleman from New York [Mr. POWELL] in charge of the bill for the purpose of attempting to make some legislative history and for the purpose of giving to the Secretary a directive. Is it the policy of the committee and is it the directive of the committee that the Secretary should insist upon, through those who are administering the program, the closest type of liaison in a community so that in the first instance the needs of the community will be known and therefore the training program can be as closely as possible associated with the needs of the community?

Mr. O'HARA of Michigan. Mr. Chairman, if the gentleman will yield, I would like to respond to that question. This matter has concerned us. In the amendments to the act in 1963 and in the committee report accompanying those amendments, we specifically referred to this problem. We also stated our conviction that advisory committees composed of representatives of labor, management, and the public should be involved in the conception and operation of these programs. Our objective was to obtain the fullest community participation possible in this program.

We amended the act to require the formation of certain advisory committees and encouraged their use to the fullest extent. We are going to involve the community more than ever under these amendments, and we think we have already done quite well.

Mr. CAHILL. It is the considered opinion of the committee that this should be utilized to the fullest possible extent?

Mr. O'HARA of Michigan. Absolutely.

Mr. CAHILL. Madam Chairman, I would say in closing that one of the personnel managers also called my attention to the fact that he had been actively seeking help for his plant from the unemployment office in the community and that they readily admitted that they just could not supply him with men to do the work that he wanted. When he asked them the question, "Why don't you take this up with the manpower retraining administrators?" they more or less said that "that is something separate and apart from us; we really have nothing to do with that."

So I think it is very important that we do have this cooperation because at least in my State it has been my observation that there are jobs available but that special skills are required to fill them. These skills should be supplied as far as is possible by the retraining program.

Mr. ASHBROOK. Madam Chairman, will the gentleman yield?

Mr. CAHILL. I yield.

Mr. ASHBROOK. Madam Chairman, I am glad the gentleman brought up this point. On page 128 of the manpower report of the President it is clearly outlined that the Manpower Development and Training Act recognizes this as a problem and are working on it but they readily admit that they have not accomplished the desired results. They say here:

> Despite characteristic difficulties in establishing new relationships at national, State, and local levels—with other Government agencies, employers, labor unions, and other organizations—and in developing new policies and practices—

They indicate that they recognize the problem but have not fully solved the problem.

I think the gentleman's contribution will help.

Mr. CAHILL. I thank the gentleman.

Mr. ASHBROOK. Madam Chairman, I yield such time as he may consume to the gentleman from California [Mr. BELL].

(Mr. BELL asked and was given permission to revise and extend his remarks.)

[Mr. BELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ASHBROOK. Madam Chairman, I yield such time as he may consume to the gentleman from California [Mr. DON H. CLAUSEN].

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

Mr. DON H. CLAUSEN. Madam Chairman, I rise in strong support of the Manpower Development and Training Act extension before us today.

The committee is to be commended for some of the improving amendments and the obvious bipartisan support given this very important measure.

Many people will be helped to better prepare themselves to participate more productively in the social progress of our Nation. Without question, the Manpower Development and Training Act has done more to vocationally rehabilitate many of our most able workers in the country. I have discussed the successes of the various Government programs designed to provide vocational education assistance with a good friend of mine, Mr. Alan Burch, an expert and training coordinator for many labor and operating engineer organizations affiliated with the AFL-CIO. He advises me that the Manpower Development and Training Act is the most favored and successful of all programs as he seeks means to improve the working capability of our Nation's labor force. I bring this to the attention of my colleagues as the finest example of testimony for support of this bill. I urge my colleagues to join in passage of the measure.

Mr. ASHBROOK. Madam Chairman, I yield 5 minutes to the gentleman from Illinois, a member of the committee [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Madam Chairman, several speakers have mentioned the principle of State matching. It is a principle that was mentioned repeatedly during the initial debate authorizing this program back in 1962. It is a good principle. But I am afraid the facts show that it is just a principle for tomorrow—a tomorrow that never seems to come.

It is time for us to review a little history. Back in 1962 when the initial authorization was voted by this House, the bill provided 100 percent Federal payment the first 2 years and provided that the third year of the program would be carried out on a 50–50 State-Federal matching basis. So, that meant that the first year was financed 100 percent by the Federal Government.

The second year was financed 100 percent by the Federal Government.

And, just ahead of the time when this 50–50 matching provision would have gone into effect, an amendment to the Manpower Training Act was proposed and enacted.

It made several changes.

First of all, it provided that the third year of the Manpower Training Act, once more, would be financed 100 percent by the Federal Government. It provided that after the third year, the Federal Government would chip in only two-thirds of the cost and the States would pick up one-third. But remember, even the altered matching provision was to take effect later. The third year was to be paid 100 percent by the Federal Government.

Now, Madam Chairman, if we enact this legislation today, as I am sure we will, let us bear in mind that it will authorize one more year's delay in bringing about this matching principle. Because under this legislation the first full year of it will be financed completely by the Federal Government.

If this bill is enacted, the first 4 years of this program will be financed entirely by the Federal Government without one dime's participation by the States.

If we are to learn anything from past history, we can expect that before this 10-percent matching principle goes into effect, we will have a bill before the House to delay once more this noble matching principle.

So, Madam Chairman, we might just as well open our eyes to the plain fact

that this is a Federal program, 100 percent.

Mr. ASHBROOK. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. TALCOTT].

(Mr. TALCOTT asked and was given permission to revise and extend his remarks.)

Mr. TALCOTT. Madam Chairman, I have asked for this time for the purpose of directing two questions to the gentleman from Michigan [Mr. O'HARA].

I take it that one of the purposes of this bill—and I support the principle of the bill—is that we have some 4 million unemployed people in this country, and in other areas we have job opportunities that are not filled because people are not trained to perform them.

I happen to think that the farm labor situation is one of those areas. In my area we have a great demand for farm labor, particularly stoop labor, and yet there are no domestic workers who are willing or able to fulfill these jobs.

Will this Manpower Training Act supply training for this type worker?

Mr. O'HARA of Michigan. If the gentleman will yield, agricultural workers have been trained under this program. There is nothing in these amendments that would reduce or prevent further training of agricultural workers under this program. However, we expect the Department to exercise judgment on these matters and train people for jobs that will provide them with a more or less steady source of income.

If any agricultural job meets that requirement we would expect the Department to train people, and we hope they will.

Mr. TALCOTT. I thank the gentleman.

I would like to ask another question. It has come to my attention that in the hiring of restaurant workers in the city of Washington they proselyte and import restaurant workers from Germany and other foreign countries. Some have been here 3 months or 3 weeks. Is there anything in this bill which would help to retrain some of our own unemployed in the slums of New York or in the coal mines of Kentucky and Tennessee, or in the cottonfields of Mississippi for positions in restaurants and hotels? Could these unemployed people be retrained for restaurant work in the city of New York or in the city of Washington where there is great demand, rather than importing workers from Europe? In Swiss papers they are advertising for restaurant workers in America. It seems to me that such a situation should not be allowed to continue while we have unemployed people here who want to work in hotels.

Mr. O'HARA of Michigan. If the gentleman will yield, we not only permit training for services, such as work in restaurants and food establishments, but an amendment in this bill specifically directs the Secretary to make an effort to develop job opportunities for people in service occupations.

Mr. TALCOTT. Would it not be proper to terminate the importation of foreign workers for restaurant work, as we did with farm labor, until this program can be put into effect?

Mr. O'HARA of Michigan. I am sorry. I am not aware of the facts involved and I could not intelligently comment on that matter.

Madam Chairman, I yield such time as he might consume to the gentleman from Maine [Mr. HATHAWAY].

Mr. HATHAWAY. Madam Chairman, I would like to take this opportunity to commend the Departments of Labor, and Health, Education, and Welfare, for their administration of the Manpower Development and Training Act over the past 2½ years. Within the limits imposed by the legislation itself, they have provided training, and new hope to thousands of formerly unemployed Americans.

On the basis of working with the Manpower Development and Training Act, the departments made recommendations to this Congress for amendments to strengthen the Act. The Holland subcommittee, under the able leadership of the gentleman from Michigan, Acting Chairman O'HARA, carefully considered the department's recommendations, presented their suggestions to the full Education and Labor Committee, and the full committee now asks all Representatives to further their commitment to provide training to the unfortunate unemployed in our Nation.

One of the changes contained in this Manpower Act of 1965, the amendments to the Manpower Development and Training Act, concerns the length of training.

Although there is, theoretically, no limit to the length of training courses, they are practically limited by the length of time a trainee may receive training allowances. For the training allowance often means the difference between being able to stay in the course or being forced to drop the course and accept any job, just for a little money.

The amendments we are considering here today include a provision to allow a trainee to receive allowances for 104 weeks, rather than the present 52- or 72-week limit. We are, in effect, asking for the right to conduct courses for up to 2 years under the Manpower Development and Training Act.

It should be made clear that a statutory increase to 104 weeks of training under the Manpower Development and Training Act would not mean that many courses would actually run that long; just as many courses do not now run the full 52 weeks, or 72 weeks with basic education. But it would allow the administrators enough flexibility to provide courses of the 104-week length where they are required; and they are required in some cases.

Essentially, there are two kinds of courses which require a longer training period.

The first involves those people who do not have enough basic education to enable them to absorb the occupational training itself, so that it is necessary to provide them with some basic education either before they begin job training or concurrently with it. Such additional basic education necessarily extends the total time necessary to prepare a trainee for employment.

This is particularly important for those Manpower Development and Training Act trainees—nearly half of all trainees—who come from the ranks of the hard-core unemployed. These disadvantaged people, many of whom are many years away from high school or any kind of school situation, need more time to absorb both the preoccupational and occupational training.

The second kind of course which requires more than the present 52 weeks of training involves certain more highly skilled jobs. Many technical jobs which are a product of our increasingly automated society cannot be learned in just 1 year.

In connection with this kind of training, it should be noted that graduates of these highly skilled training programs are usually more readily placed in jobs than those with semiskilled and minimum-skilled training.

I am asking that we give the administrators of this important training program, who have proved themselves in the past 2½ years, the flexibility to provide the most meaningful training in every situation. As they have not abused the present limitations, we can all be assured that they will not abuse the new limitation.

Our first commitment and thought must be to aiding as many unemployed persons as possible. The Manpower Development and Training Act is an important facet of our overall educational program. Its improvement deserves our support.

Mr. O'HARA of Michigan. Madam Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Madam Chairman, I rise in support of H.R. 4257. I consider it a privilege to serve on the subcommittee that drafted this legislation and reported it to the full committee and to the House. It is gratifying to see support from both sides of the aisle for this important legislation, and the amendments that are proposed today. The Manpower Retraining Act will undoubtedly go down in history as one of the most important pieces of legislation ever approved by the Congress. I know of no greater waste of human resources in this country than an unemployed American. Unemployment erodes his self-respect; crushes his dignity. It costs the community vast sums of money which must be spent to provide assistance to himself and his family. And finally, Madam Chairman, prolonged unemployment tends to shatter the unfortunate worker's confidence in our economic system.

This bill is designed to help retrain those Americans who for various reasons are unemployed; people who had been dislocated by automation; people who had been layed off because their plant moved to another area of the country, and for various other reasons. This bill also is designed to help those young Americans who for various reasons, in many instances because they dropped out of school prematurely, are not qualified or prepared to gain employment.

On all fronts this legislation has indeed proved its merit and worth. It has worked extremely well in Chicago. If the people of this country could see how much money we actually are saving the taxpayers of America by retraining these unemployed Americans for employment, they would realize the full significance of this bill.

Madam Chairman, in rising in support of this legislation, I should like to recall one brief anecdote of an experience I had in Chicago. We had an American father of a family of five children, married, unemployed for several years, not that he wanted to be unemployed but he was unemployed because he could not find work because he was unqualified for any decent work. This family was costing the taxpayers of Chicago some $270 per month for welfare benefits. This had been going on for many months.

Finally this man enrolled in the manpower retraining program, and we took this fellow and trained him to be a chef. It took 8 months to complete the job. He did his studies well. He is now a good chef and is earning $350 a month. The taxpayers of Chicago are spared the expense of providing $270 a month in relief for himself and his family.

I recently had an opportunity to talk to him and he said, "Mister, you don't know how wonderful it feels to come home and be greeted by my children as a breadwinner instead of a reliefer."

This is one benefit that could not be defined in terms of dollars and cents, but this is one illustration of what is happening all over America.

The Secretary of Labor today announced that our unemployed have reached the lowest percentage in the past decade. Our ratio of unemployed today stands at 4.7 percent. This impressive reduction certainly reflects the people who are being retrained under the bill and put to work.

It is clear now that there will be full employment opportunity for every American citizen only if two policies are pursued:

First, the economic policy of promoting that degree of overall economic growth which will produce the demand for enough work to occupy the full work force;

Second, the manpower policy of matching people and jobs, of supplying the manpower needs that develop, of getting people into the jobs that exist—or can be developed.

The Manpower Development and Training Act has been carefully designed to enable us to carry out successfully the second of these policies that I have just described.

One of the unique and most important features of the Manpower Development and Training Act is its provision for income maintenance for unemployed individuals undertaking occupational training under title II. We can thank the 87th Congress for its foresight in introducing this provision into our body of Federal manpower legislation—a provision which permits literally thousands of individuals to take advantage of training which would otherwise be beyond their reach. The amount of the basic training allowance is small indeed. Nevertheless, it often spells the difference between having basic living support and no support—between training for a job and not training. Often, however, it has not been enough to permit an individual to enroll in a Manpower Development and Training Act training course—or to remain in training once begun.

In 1963, the Congress provided some extension of income maintenance benefits for the Manpower Development and Training Act trainees. Now, H.R. 4257 proposes other amendments to the allowance provisions to bring benefits more in line with the needs of the individuals for whom the act is intended. These amendments generally mean a broader scope of allowance payments available to more unemployed persons.

One step in this direction is the proposed amendment to allow more than one member of a family to receive a training allowance. Another is to provide increased allowances for workers with large families. Removal of the present provision that not more than one person in any one household may be receiving training allowances at any particular time permits training opportunities to be extended to several members of families living at very low income levels. Nine and one-half million families—one out of five in the United States—live in poverty. Of these, 6⅓ million have one or more wage earners, and over 2 million have two or more workers. For them, economic growth alone will provide relatively few escapes from poverty.

We must focus on the handicaps that deny these workers a fair access to the expanding income of a growing economy. The single greatest hope of escaping substandard living conditions for the adult workers in these families is attaining a vocational skill. Although we may not be able to provide training opportunities for every unemployed member in these families, we will be able to improve the situation in some of the more severely impoverished family units.

The proposed dependency allowances—increase of an additional $5 per week for each dependent over two up to a maximum of four additional dependents—are necessary because of the pressures of heavy family responsibilities of family heads. Over 25 percent of the Manpower Development and Training Act trainees have three or more dependents, and one in six have five of more dependents. The regular weekly training allowances now payable in the 50 States range from a low of $24 to a high of $44 per week, with some trainees drawing up to an additional $10 as provided by the 1963 Manpower Development and Training Act amendments. Much of the training is done in States paying the lower allowances, and it is obvious that a family of five or more persons cannot live on these low levels of income. Increased benefits in increments geared to family responsibilities is a must, in order to enable some individuals to enter training and to give them some of the wherewithal to remain in training until they are equipped with a skill for suitable full-time employment.

A further improvement contained in H.R. 4257 recognizes the financial needs of single adult trainees without dependents. Heretofore, one eligibility requirement for allowances has been that the trainee be either the head of a family or the head of a household. These definitions, however, excluded the single adult worker—the unmarried man or woman, the widow, and the widower who had no dependents. Nevertheless, their living expenses—rent, utilities, grocery bills, carfare, and the like—continued, and often have prevented them from accepting training opportunities for purely financial reasons. This inequity in the eligibility requirement for training allowances would be removed by the amendments in H.R. 4257.

The provision for payment of daily transportation allowances is recommended because of the financial hardships many trainees encounter in merely commuting between their home and the training facility. The cost of transportation is generally high in relation to the amount of the weekly training allowance, and can absorb a disproportionate amount of the trainee's weekly income for living expenses. The employed worker can afford to pay commuting costs because his salary is adequate to meet them. The average weekly wage in manufacturing is now over $100, but the average trainee receives an allowance much less than one-half of this amount. Obviously, it is only equitable to help those who are motivated enough to enter and persist in training by covering the transportation costs that training involves.

Madam Chairman, I have highlighted some of the more significant provisions in H.R. 4257, because of their importance in providing the type of income maintenance needed to assist individuals to participate in the benefits of the Manpower Development and Training Act. I hope that these improvements will reduce considerably the extent of dropouts because of financial burdens from family responsibilities, and allow individuals to train for full-time suitable employment. The Manpower Development and Training Act has passed through the initial testing stage of an infant program with so much distinction and accomplishment that I urge each Member of the House to give favorable consideration to the changes in allowance provisions and the many other improvements in the Manpower Act of 1965.

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Madam Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Madam Chairman, I want to pursue the question raised by the gentleman from New Jersey a minute ago with regard to the service feature of this bill. Having been connected with an employment commission, I know that to set up a training program for automotive mechanics it was necessary for our commission to interview 100 men or more before we got the 20 that were

called for in the request—educational requirements being what they were, a limited number have the ability by background to get into the classes. The big percentage does not have the background.

One of the crying needs we have in any State, or at least in my State of Texas, is emphasis on service training. On page 9 of the report it is indicated that this bill, in title I, directs the Secretary of Labor to develop and maintain a program of job development primarily in the service trades. You go further and refer to the demand for such services as home maintenance, child care, appliance repair, hospital service, home nursing, and many others.

My question is this. The Secretary is not given any additional money or authority to do this. Did you discuss in your committee what emphasis you are going to put on it; just how is the Secretary going to put forth this emphasis; because there is great need for this kind of training?

Mr. O'HARA of Michigan. The purpose is to work with trade associations training groups, welfare agencies, and similar groups, to establish job vacancies and to work out training programs where none have existed. We have to work out new programs. We cannot tell what they will be, but they will include home services and the other things the gentleman mentioned.

Mr. PICKLE. I hope the committee will direct the Secretary of Labor to put great emphasis on this. Admittedly, it is not particularly glamorous training to be a maid, a domestic cook, a handyman or a farmworker, as the gentleman from California mentioned, but at the same time there are many, many demands for this kind of work. People throughout the country call the employment office but that office cannot supply the jobs because nobody wants to take that kind of jobs, or they do not have the skills. We must push these services training classes.

We want to put all the emphasis on this that we can.

Mr. WILLIAM D. FORD. Madam Chairman, I rise to express my support for H.R. 4257, which would liberalize and extend the Manpower and Training Act of 1962.

The bill would amend the act by raising the Federal Government's contributions to the cost, by lengthening the period of time that training programs may be conducted, and by increasing the weekly training allowances for trainees with several dependents.

It would also expand the research and pilot programs authorized by the act so that new ways may be found to restore workers to productive employment. And it would provide for regular training programs in depressed areas designated under the Area Redevelopment Act.

The Manpower Development and Training Act is without doubt the most ambitious national program of job training and manpower research ever undertaken. Its goal is to help each citizen find a useful and profitable place in our society.

The benefits of this program are already apparent. Training projects and services have been approved for nearly 400,000 men and women throughout the Nation. Workers who were unemployed because of automation, industrial shutdown, or lack of skills, today are working in new fields or building new careers.

Admendments to the act in 1963 made it possible to include greater numbers of young people, and more persons without fundamental skills in reading, writing, and counting.

The amendments we propose here today will permit us to move this wonderful program forward at an even faster pace. They will enable us to fully demonstrate to the world that anyone who can learn can find a place in our Great Society.

Mr. RHODES of Arizona. Madam Chairman, as chairman of the Republican policy committee I rise in support of H.R. 4257.

The concept of manpower development through retraining is a basic tenet of the Republican Party. The Manpower Development Act of 1962, was Republican drafted and Republican supported.

One of the Republican concepts included in the original bill was the requirement for a Federal-State partnership achieved through the medium of matching funds. Under the original act the States were required to provide matching funds in the amount of 50 percent. And this was reduced to 33⅓ percent in 1963.

This bill reduces this requirement still further to 10 percent and defers its effective date for another year, until July 1, 1966. However, it was only through the efforts of the Republican members of the Education and Labor Committee that even this small percentage of State participation remains.

While the Republican policy committee deplores this further erosion of the concept of Federal-State partnership through matching funds, we are relieved that at least the principle of matching funds is left intact.

We are pleased to note that the bill brings the training program for redevelopment areas now pending in the Area Redevelopment Act under the Manpower Development and Training Act. This as you know is a principle long advocated by Republicans.

The Republican policy committee has gone on record in support of the bill.

Mr. McCLORY. Madam Chairman, in supporting the Manpower Act of 1965—H.R. 4257—I want to indicate my belief that increased employment, and additional skills for Americans can be best developed by private concerns operating within the framework of our free enterprise system.

This Congress can assist employment efforts through research, vocational education, and other related programs which may be sponsored appropriately by governmental action. However, it is misleading to assume that the Federal Government can be a substitute for private business, or that Federal appropriations can replace private investment. The responsibility of the Federal Government should be to provide a climate in which free Americans may work and produce. The Manpower Act of 1965 can contribute to this end. However, the individual citizens from management and labor are the essential elements in the formula for economic success and increased employment.

Mr. GRAY. Madam Chairman, it is a privilege to support H.R. 4257. An expansion of the Manpower Development and Training Act is a forthright proposal and I know will have a great economic impact on the unemployed people of this country and will be a stimulus for business. I want to commend the chairman of the House Committee on Education and Labor and the members of his committee for submitting this bill. Coming from southern Illinois, I can assure all of my colleagues that the Manpower Development and Training Act has provided new hope for thousands of unemployed persons.

Mr. Chairman, over 75 percent of all those retrained in southern Illinois under Manpower Development and Training Act have found good jobs. Hundreds of others are now in training and I expect the percentage will go up as the new training classes are formed. In Franklin and Williamson Counties in Illinois we have seen unemployed coal miners and others, who have not seen steady work for years, find a paycheck in the mailbox every month instead of the relief check that has been so common over the years.

I want to particularly commend the committee for extending the period of training allowance assistance and the amount received by the trainee. This will give the slow learner a better opportunity to reach his skill and thereby find employment at the end of the training period.

Madam Chairman, in behalf of all of the unemployed people of southern Illinois and, particularly, those who are now in training, and will soon enroll, I want to again commend the Committee on Education and Labor, President Johnson, and our great Secretary of Labor, Willard Wirtz, an Illinoisan, for their compassion, understanding, and support of this progressive program.

Mr. MATSUNAGA. Madam Chairman, I rise in support of H.R. 4257, the Manpower Act of 1965.

The Committee on Education and Labor is to be commended for having agreed to the provision in the bill to eliminate State matching fund requirements until June 30, 1966, and to reduce the present 33⅓-percent requirement to 10 percent thereafter.

This is a recognition of the growing financial difficulties which our State governments are encountering. The new demands for State government services which come as a result of our fast-growing population and economy have created a general condition of near instability in State finances throughout our Nation.

Because unemployment in any local area is frequently the result of causes rooted elsewhere in our interdependent national economy, unemployment has

been recognized since the 1930's as being primarily a Federal responsibility. In time we ought to consider a complete elimination of the State matching fund requirement if we find that the reduced 10-percent matching will be so burdensome as to cause some States to be unable to participate, for then in such States our Federal responsibility would remain unfulfilled.

Statistics show that 3.7 million of our citizens want work but are unable to find it, and that 1.3 million more potential workers will enter the labor force within the next year. Moreover, 20 million of our labor force lack the minimum training needed for most jobs in our world of technological change, with its attendant changing requirements in skills.

The development of our human resources must keep pace both with the constantly increasing size of our labor force, and with the requirements for new skills and varied education. The inexorable tide of population growth can become a dead weight on our economic system if the unskilled cannot be successfully trained and profitably employed. If we successfully meet the challenge, our growth in population will mean an increase in our greatest national wealth—our human resource.

The potential for new employment through the implementation of this bill exists in every State in our Union. In my own State of Hawaii, I am informed that some industries have failed to establish plants because of the lack of qualified skilled personnel. This legislation will, therefore, be most important to Hawaii in attracting new industry to create new jobs for our growing population.

The training program for redevelopment areas will also have application in Hawaii. Even though Hawaii has a low total State unemployment rate in comparison with many of its sister States, we do have pockets of depressed areas where the rate of unemployment is relatively high.

Madam Chairman, H.R. 4257 is a forward-looking, yet down-to-earth bill which can do only good for our country's future. I strongly urge its passage.

Mrs. MINK. Madam Chairman, I am especially proud and happy to rise in support of H.R. 4257, the Manpower Act of 1965.

My own State of Hawaii has often been cited as one of the most imaginative and energetic users of the Manpower Development and Training Act since its passage in 1962. This bill would extend and expand that act in a comprehensive and greatly beneficial manner that can bring immense benefits to the Nation as a whole.

This act meets the growing needs of our unemployed citizens.

Swiftly paced technological innovations are developing new industrial situations almost daily and unprecedented numbers of youths are pouring into the labor market.

All this adds up to a nationwide problem which can be solved by this forward looking piece of legislation.

For some 30 years now, the Federal Government has been recognized as the agency with prime concern for combating unemployment. The Federal involvement in employment measures which started with the depression has been confirmed again and again.

One of the most gratifying successes arising from attempts to grant every wage earner a chance at a decent income has been the Manpower Development and Training Act.

Not only has the Manpower Development and Training Act program practically reached its goal of training 400,000 persons across the Nation, but it has had excellent success in placing these trainees in productive employment.

A total of 72 percent of those completing institutional training and 94 percent of those completing on-the-job training courses under the act have been placed in jobs. These jobs have covered many fields from the semiskilled to technical and whitecollar occupations. Many of those trained were long-term unemployed, whose lot would have been virtually hopeless without the aid of the Manpower Development and Training Act.

In short, the unemployment problem we face in the midst of unprecedented plenty would have been far worse without the Manpower Development and Training Act.

Now, this bill would strengthen the Manpower Development and Training Act program and make it more flexible and more responsive to the conditions which cause this unemployment.

First, it would continue full Federal funding of the Manpower Development and Training Act program through June 30, 1966. This is just, since the problem of unemployment is a national one and must be attacked on a national scale. The States, desirous as they are of continuing the program, lack the resources to carry it on because of the multitude of demands upon their revenues.

Second, the research and information programs initiated under the Manpower Development and Training Act would be expanded. Even with the modest start provided so far, these programs have proved useful. The act's activities have already discovered a vast possible reservoir of jobs in the service industries, which can be tapped if steps are taken to develop these jobs while the people who will fill them are being trained.

Another highly significant step taken by this bill would bring into the Manpower Development and Training Act program more of the disadvantaged youth and other unemployed single persons by providing a living allowance for them as well as those who have dependents while they are undergoing training.

By making more of our young single people eligible for training, and by providing them with training allowances and increasing the allowances available to those with large families, the bill opens the door to help the very people who need it most.

We have become increasingly aware in recent years that the vise of poverty grips strongest those who are uneducated and who come from a long background of poverty. The answer to this problem is better education and training, the very things this bill would provide. It recognizes the need for basic education as well as occupational training and extends the maximum period to 104 weeks that a trainee may be eligible for a training allowance.

We have seen in the last 2½ years the development of one of the most promising and heartening weapons against unemployment in our Nation's history. Virtually all informed opinion has been in favor of its continuation and expansion.

I am highly gratified at having helped in the development of this bill as a member of the Education and Labor Committee. More importantly, I am happy to have been able to contribute to the fullest possible utilization of this act by the citizens of my State of Hawaii by having successfully offered an amendment which would allow the Secretary to authorize our trainees full reimbursement of their travel costs from the neighbor islands if it should exceed the 10 cents per mile limit as provided in the original bill. My amendment also allows the Secretary to authorize extra living allowances to Hawaii trainees who come from the neighbor islands to Honolulu over and above the bill's limit of $5 per day, in recognition of the high cost of living in Hawaii.

It is especially gratifying that this amendment I offered was unanimously accepted by the whole House.

This bill as amended now paves the way for the fullest implementation in all States of this far-reaching program to utilize our human resources in our ever-growing industrial economy.

Mr. CLEVELAND. Madam Chairman, I rise in enthusiastic support of H.R. 4257, the Manpower Act of 1965. This bill will extend and improve the program established by the Manpower Development and Training Act of 1962. The program in its present form is largely the result of Republican initiative in the House. I am happy to report that it is working very well in my district because its approach is correct and the mechanisms for putting it into action are sound.

It is pleasing to see that the bill before us now, H.R. 4257, broadens the emphasis on improving techniques for helping the long-term unemployed, disadvantaged young people, displaced older workers, the handicapped, and other groups with special problems.

This program already is beginning to pay dividends in salvaged lives. Every life we enable to become useful and self-supporting not only relieves the burden on the tax rolls but becomes an active contributor to the economy. Our complex and growing society needs every talent available, trained to the greatest possible degree.

This bill will help achieve this goal.

Mr. O'HARA of Michigan. Madam Chairman, I have no further requests for time.

The CHAIRMAN. Does the gentleman from Ohio [Mr. ASHBROOK] desire to yield time?

Mr. ASHBROOK. Madam Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the substitute amendment reported in the bill as an

original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 4257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act."

SEC. 3. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistanec to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bond for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

(b) Section 102(2) of the Act is amended by striking out "104" and inserting in lieu thereof "107".

SEC. 4. Section 202(i) of the Act is amended by striking out ", and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks".

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week."

(b)(1) Section 203(b) of the Act is amended by striking out the matter following "to defray transportation" and preceding *"Provided",* and by inserting in lieu of such matter the following: "expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ", except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" in the first sentence and insert "at least" in lieu thereof;

(2) Strike out everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: ": *Provided,* That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such sections are redesignated as (d), (e), (f), (g), (h), and (i), respectively.

(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

SEC. 6. Section 208 of the Act is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting in lieu thereof the following: "The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of

Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—REDEVELOPMENT AREAS

"SEC. 241. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided*, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(4) section 301 shall not apply with respect to funds available under this section.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section."

(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed.

(c) This section and the amendments made by it shall take effect on July 1, 1965.

SEC. 9. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946,".

SEC. 10. Section 304 of the Act is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years such amounts as may be necessary."

SEC. 11. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 12. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year for which an appropriation is authorized by section 304".

SEC. 13. Section 310 of the Act is amended by striking out "1966" wherever it appears and inserting in lieu thereof "1968".

Mr. O'HARA of Michigan (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK: On page 19, line 24, after "transportation" insert the following: ", and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe".

Mrs. MINK. Madam Chairman, the purpose of this amendment is to make explicitly clear in the bill what I believe to be the committee's intention, which is, to provide the fullest opportunities for all of our potential trainees to take advantage of this wonderful program in order that they may fill the employment markets in the respective States.

The bill has been amended by the committee, and as reported to the House, it provides for full reimbursement or travel costs of trainees while they are at the training center. The bill also provides for transportation costs of persons who must leave their community to attend various training centers which may be set up in the States. But, unfortunately, there is a limitation of 10 cents per mile in this transportation allowance.

Madam Chairman, the reason for this amendment is to make special provision in this regard for two States, Hawaii and Alaska. Therefore, the use of the word "noncontiguous" is to single out these two States where the travel conditions within the State are higly unusual.

In Hawaii, the State that I have particular knowledge of, we are totally dependent upon air transportation provided by two commercial airlines between our outlying islands and the principal island of Oahu. Now, a large number of beneficiaries under this bill are individuals who live on the smaller neighbor islands who must travel to these training centers on Oahu, where 80 percent of our population is located. The limitation of 10 cents per mile on travel expenditures for them would discourage many who otherwise would be interested in participating in this program.

The second feature of the amendment is the subsistence allowance which, at a $5 per day maximum, would also be very, very severely limiting on the number of people who would be able to subsist in the city of Honolulu if no special considerations were provided for them.

The Federal Government by statute in the United States Code recognizes the high cost of living and expenses generally in these two areas of Hawaii and Alaska by providing additional per diem allowances for the civil servants of the Federal Government in these areas.

So, Madam Chairman, this amendment provides that in the noncontiguous States where the per diem allowance is in excess of that allowed within the continental limits of the United States, the Secretary may provide for additional expenses for travel and subsistence over and beyond the limitations now provided by the bill.

Madam Chairman, at this time I yield to the gentleman from Alaska who will elaborate on his situation in that State.

Mr. RIVERS of Alaska. Madam Chairman, Alaska and Hawaii have this proposed amendment in common. I want to compliment the gentlewoman from Hawaii for her initiative in introducing this amendment and for her grasp of the subject, and I rise in support of the amendment and of the bill.

The cost of transportation is very high as is the cost of subsistence in Alaska. Of course, as the gentlewoman has said, we want people in the noncontiguous States to have full advantage of this fine program.

The problem this amendment seeks to solve, Madam Chairman, is the problem of providing transportation and subsistence allowances under the Manpower Development and Training Act adequate to the needs of the participants in the program. The amendment would solve the problem by giving the Secretary of Labor the discretionary authority to adjust the allowances in noncontiguous States where the costs of transportation and subsistence are so high that present levels place a burden upon the trainees.

Alaska is such an area. Transportation costs are high, the cost of living is high. The present level of allowances under the Manpower Development and Training Act places a heavy financial burden upon Alaskan trainees, a burden most can ill afford to carry.

The burden upon trainees in Alaska is well demonstrated in the case of a trainee from Togiak, told me by Mr. Virgil N. DuPuis, the chairman of the Anchorage Manpower Advisory Commit-

tee. In a recent letter, Mr. DuPuis wrote:

The man from Togiak who entered the truck-tractor training course traveled 440 miles by air at a cost of $67.50. The Manpower Development and Training Act will reimburse him $44. Since his annual income was less than $2,000 last year and in addition he had lost his job and home as a result of a tidal wave at Togiak that wiped out the cannery in which he had been a watchman, he felt it worth the gamble to borrow that extra $23.50 and come in for training in the hope that he could work on a construction job this summer in the Dillingham area after learning to operate a "Uke," or large dump truck. Each day that he is in training he will receive $5 per day to pay for his room and board. Since even the cheapest room will cost $2.50 to $3 per night, it is apparent that $5 is a very meager sum. Since he is a married man with children he will also receive $44 per week as a training allowance, of which he will probably send the greater amount home. If he had been single, the $5 would have been his entire allotment, and patently inadequate.

The problem of inadequate allowances for the Manpower Development and Training Act program in Alaska is not only that of causing a burden for those who do enter the program, but also one of discouraging entrance into the program by many of those most in need of it. This is, indeed, a cause of much regret.

That the cost of living in Alaska is higher than in mainland States is well established. Recent figures compiled by the Bureau of Labor Statistics—using Washington, D.C., as a base—show the cost of living to be 132.8 in Juneau, 143.2 in Anchorage, and 146.5 in Fairbanks.

In Nome, the site of one Manpower Development and Training Act center, prices for food are 62 percent more than they are in Seattle, Wash.

The difference in costs of transportation in Alaska and the allowances available under the present rates are substantial. These figures are based on travel to the Nome Manpower Development and Training Act center: a trainee from Mekyoruk would have to spend $77.20 in addition to his allowance for his round-trip ticket; a trainee from Quinhagak would have to spend $69.90 in addition to his allowance.

Others in the 70 villages that provide trainees to the Nome facility would also have substantial out-of-pocket costs in order to begin the training they so badly need.

Madam Chairman, I urge that this amendment be adopted so that trainees in Manpower Development and Training Act programs will not be penalized for living in areas where costs of subsistence and transportation are high. Adoption of the amendment will be only a modification of the act to take into account experiences gained in the first years of its operation; its adoption will not change the goals of the act, but only better enable the realization of those goals.

Mr. ASHBROOK. Madam Chairman, the three members of the subcommittee on the minority side not only have no objection to this provision offered by the lady from Hawaii, but also support it.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. GOODELL. I support the amendment also. I believe there are special circumstances in Hawaii and Alaska which justify this amendment. We do expect that the amendment will be made applicable only where it is necessary to meet unusual expenses caused by these circumstances.

Mr. PUCINSKI. Madam Chairman, I move to strike the last word.

I take this time merely to ask the gentlewoman from Hawaii a question or two about the amendment. I do not oppose the amendment. It certainly carries a great deal of merit.

Since it is an open end amendment, perhaps we should have some sort of legislative intent as to what we mean by "reasonable."

Mrs. MINK. Madam Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I assume the intent of the amendments recommended by the committee is to fully reimburse the travel expenses of the trainees for local transportation while they are at the centers. By the same token, the intent of this amendment is to provide for reimbursement for the actual travel expenses found necessary for these trainees from the outlying areas in my State to the centers for training.

Mr. PUCINSKI. We agree that "reasonable" means the most economical form of transportation and not necessarily some luxurious travel, which obviously would be subject to great criticism.

Mrs. MINK. We have only one method of transportation in my State, actually, between islands, and that is by the two existing commercial airlines. If a time should come in my State, through the assistance of my colleagues in this illustrious Chamber, when we might be able to offer low-cost transportation, we would certainly accede to the wishes of this body in terms of lowering the cost and perhaps coming below the 10-cent limitation. That would be my fondest hope.

Mr. PUCINSKI. On the question of subsistence, when it exceeds $35 per week or $5 per day, can we also agree that it shall be within reasonable bounds, or the most economical type of living quarters consistent with good standard living conditions?

Mrs. MINK. Yes. I trust that the Secretary would be so guided.

Mr. ALBERT. Madam Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I congratulate the gentlewoman for offering this amendment. I believe it is meritorious. I certainly intend to support it.

Mr. GOODELL. Madam Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New York.

Mr. GOODELL. I should like to make the legislative history clear. I believe the gentleman said "not necessarily" luxurious transportation. I believe we wish to say "not ever" luxurious transportation or subsistence.

Mr. PUCINSKI. I agree.

I have no objection to the amendment.

Mr. MATSUNAGA. Madam Chairman, I move to strike the requisite number of words.

I rise in support of the amendment. I wish to commend my colleague, a member of the Education and Labor Committee, for offering the amendmnt.

As those who have been to Hawaii know, we are faced with a peculiar situation of a State divided into islands in the middle of the Pacific Ocean. Our mode of personnel transportation is by air only at present. This does run into considerable sums of money, especially as it pertains to trainees who are even unable to provide for their daily living costs. The proposed amendment will provide a more workable program in our State. As the youngest State of the Union, Hawaii looks to her sister States as a little sister seeking to do her best to be on an even par in this great family of States. Because of certain conditions peculiar to our geographic makeup, we need your assistance, and we earnestly seek it.

I urge your support of the amendment.

Mr. O'HARA of Michigan. Madam Chairman, I move to strike the requisite number of words.

I wish to commend the Representatives from Hawaii and Alaska for their diligence in this matter, and I ask approval of the amendment. I do not believe it is opposed by any member of the majority of the committee.

Mr. GROSS. Madam Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Madam Chairman, if there has been any discussion of the added cost of this expanded program, I have not heard it.

I wonder if someone could give the House some estimate as to what this expanded program is likely to cost.

Mr. O'HARA of Michigan. Madam Chairman, will the gentleman yield?

Mr. GROSS. Yes. I am glad to yield to the gentleman.

Mr. O'HARA of Michigan. I would like to advise the gentleman that we have no exact figures on this particular aspect of transportation.

Mr. GROSS. No. I am not speaking of the pending amendment. I am speaking now to the entire bill.

Mr. O'HARA of Michigan. Well, the additional cost of the amendments, if the gentleman will yield, in rough estimate, are as follows: the cost of dependents allowances, $8 million; the cost of transportation allowance, $7 million; the cost of changes in eligibility allowance, $30 million. I believe this information is contained in the committee report if the gentleman wishes to look at it.

Mr. GROSS. Are these the figures for the expanded program, that is, the program you propose here today? I under-

stand we are doubling the maximum time allowed for training from 52 weeks to 104 weeks. Your present costs, as I understand it—and this is purely hearsay—on the basis of 23 weeks of training, are $1,500. If this is anywhere near accurate, would you take it from there and give us some idea as to what the cost per individual would be predicated on a possible 104 weeks of training?

Mr. O'HARA of Michigan. The gentleman will be advised that the full budget request for the next fiscal year, which is the year that the gentleman is discussing, is $452 million. The increase in the permitted number of weeks training will not result in a proportionate increase in the time the trainees actually spend in training. For instance, we have had up to 72 weeks authorized before, but the actual training course has been running about 32 weeks. You cannot relate those two things to each other.

Mr. GROSS. I have the figure of 23 weeks as being the present average training period. When the gentleman speaks of the budget, is he not speaking of the budget based on the present program without the additions or expansions proposed in this bill?

Mr. O'HARA of Michigan. I am sure if this bill is enacted, there will be no additional requests for the coming fiscal year.

Mr. GROSS. Projected into the future and on the basis of an increase to 104 weeks of training and increases for dependents, do you mean to say that funding for this purpose is going to be confined to the present rate of spending? Is that what the gentleman is saying?

Mr. O'HARA of Michigan. What I am saying is that the request is as I stated to the gentleman. If this bill passes, there will be no request for additional funds in the next year.

Mr. PUCINSKI. Madam Chairman, will the gentleman yield?

Mr. GROSS. Yes. I am glad to yield to the gentleman from Illinois.

Mr. PUCINSKI. I think perhaps it may be a little easier for the gentleman to understand with respect to this question he is raising if I put it in this fashion. The gentleman himself said the average figures he has are for 23 weeks. The present law now permits 72 weeks. As the gentleman from Michigan tried to explain, even though we allow up to 104 weeks it does not necessarily mean that everyone participating in this program will take that length of time.

Mr. GROSS. I was trying to get at the increased cost, if any, predicated on the present estimated average cost per week.

Mr. PUCINSKI. Madam Chairman, will the gentleman yield further?

Mr. GROSS. Yes. Of course.

Mr. PUCINSKI. I think the gentleman certainly raises a very valid question, but I wonder if the gentleman would agree that there is a corollary, an equally important question, which is, what is the alternative cost if we do not approve this program.

Mr. GROSS. Of course, I will say to the gentleman that on one day we get a poverty bill in the House and the next day we get some other kind of a welfare bill. We are hearing today about all the unemployment in this country and the necessity for retraining the unemployed. One of these fine spring days the House will get the annual foreign handout bill calling for the spending of at least $3.3 billion abroad.

Next week we will probably hear from administration leaders that this Nation is wallowing in wealth and economic progress. Somehow or other I am not able to put these together and make them add up to any logic. Perhaps I do not have the intelligence, I do not know.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOODELL

Mr. GOODELL. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODELL: On page 23, between lines 11 and 12, insert the following new section and renumber the subsequent sections accordingly:

"SEC. 9. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso:

"'*Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'"

Mr. O'HARA of Michigan. Madam Chairman, I would like to advise the gentleman from New York that we have examined his amendment, we think it is a very useful amendment and would be inclined to accept it.

(Mr. GOODELL asked and was given permission to revise and extend his remarks.)

[Mr. GOODELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOODELL

Mr. GOODELL. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODELL: On page 24, between lines 11 and 12, insert the following new section and renumber the subsequent sections accordingly:

"SEC. 12. Subsection (a) of section 306 of the Act is amended by inserting after the comma immediately following the word 'procedures' the following: 'subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000,'."

Mr. O'HARA of Michigan. Madam Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. O'HARA of Michigan. Madam Chairman, this is another amendment which has been discussed with the Members on the majority side to which we have no objection.

(Mr. GOODELL asked and was given permission to revise and extend his remarks.)

[Mr. GOODELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ASPINALL] having assumed the chair, Mrs. GRIFFITHS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4257) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, pursuant to House Resolution 305, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 392, nays 0, not voting 41, as follows:

[Roll No. 60]

YEAS—392

Abernethy	Brooks	Craley
Adair	Broomfield	Cramer
Adams	Brown, Ohio	Culver
Addabbo	Broyhill, N.C.	Cunningham
Albert	Broyhill, Va.	Curtin
Anderson, Ill.	Buchanan	Daddario
Anderson, Tenn.	Burke	Dague
	Burleson	Daniels
Andrews, George W.	Burton, Calif.	Davis, Ga.
	Burton, Utah	Davis, Wis.
Andrews, Glenn	Byrne, Pa.	de la Garza
	Byrnes, Wis.	Delaney
Andrews, N. Dak.	Cabell	Dent
	Cahill	Denton
Annunzio	Callan	Derwinski
Arends	Callaway	Devine
Ashbrook	Cameron	Dickinson
Aspinall	Carey	Diggs
Ayres	Carter	Dingell
Bandstra	Casey	Dole
Baring	Cederberg	Donohue
Barrett	Celler	Dorn
Bates	Chamberlain	Dow
Battin	Chelf	Dowdy
Beckworth	Clancy	Downing
Belcher	Clark	Dulski
Bell	Clausen, Don H.	Duncan, Oreg.
Bennett		Duncan, Tenn.
Berry	Clawson, Del	Dwyer
Betts	Cleveland	Dyal
Bingham	Clevenger	Edmondson
Boggs	Cohelan	Edwards, Ala.
Boland	Collier	Edwards, Calif.
Bolton	Conable	Ellsworth
Bonner	Conte	Fallon
Bow	Conyers	Farbstein
Brademas	Cooley	Farnsley
Bray	Corbett	Farnum
Brock	Corman	Fascell

Feighan
Findley
Fino
Fisher
Flood
Flynt
Fogarty
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fuqua
Gallagher
Garmatz
Gathings
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Gross
Grover
Gubser
Gurney
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harris
Harsha
Harvey, Ind.
Harvey, Mich.
Hathaway
Hawkins
Hays
Hechler
Helstoski
Henderson
Hicks
Holifield
Holland
Horton
Howard
Hull
Hungate
Huot
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Johnson, Pa.
Jonas
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
Keogh
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kluczynski
Kornegay
Krebs
Kunkel
Laird
Landrum
Langen
Latta
Leggett
Lindsay
Lipscomb
Long, La.
Long, Md.
Love
McCarthy
McCulloch
McDade
McDowell
McEwen
McFall
McGrath
McMillan
McVicker
Macdonald
Machen
Mackie
Madden
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Mass.
Martin, Nebr.
Matsunaga
Matthews
May
Meeds
Mills
Minish
Mink
Minshall
Mize
Moeller
Monagan
Moore
Moorhead
Morgan
Morris
Morrison
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pool
Powell
Price
Pucinski
Quie
Quillen
Race
Randall
Redlin
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Roudebush
Roush
Roybal
Rumsfeld
Ryan
Satterfield
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schmidhauser
Schneebeli
Schweiker
Scott
Secrest
Selden
Senner
Shipley
Shriver
Sickles
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Smith, Va.
Stafford
Staggers
Stalbaum
Stanton
Steed
Stratton
Stubblefield
Sullivan
Sweeney
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Todd
Trimble
Tuck
Tunney
Tupper
Tuten
Ullman
Utt
Van Deerlin
Vanik
Vigorito
Vivian
Waggonner
Walker, Miss.
Walker, N. Mex.
Watts
Weltner
Whalley
White, Idaho
White, Tex.
Whitener
Whitten
Widnall
Williams
Willis
Wilson, Bob
Wilson, Charles H.
Wolff
Wright
Wyatt
Young
Younger
Zablocki

NAYS—0

NOT VOTING—41

Abbitt
Ashley
Ashmore
Baldwin
Blatnik
Bolling
Brown, Calif.
Colmer
Curtis
Dawson
Erlenborn
Evans, Colo.
Everett
Evins, Tenn.
Foley
Fulton, Tenn.
Gettys
Gray
Hébert
Herlong
Hosmer
Jones, Ala.
Lennon
McClory
MacGregor
Mackay
Mathias
Michel
Miller
Pepper
Purcell
Roosevelt
Rostenkowski
Smith, Iowa
Springer
Stephens
Toll
Udall
Watkins
Wydler
Yates

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Hosmer.
Mr. Evins of Tennessee with Mr. Curtis.
Mr. Herlong with Mr. Erlenborn.
Mr. Ashmore with Mr. Michel.
Mr. Lennon with Mr. Watkins.
Mr. Brown of California with Mr. McClory.
Mr. Rostenkowski with Mr. Springer.
Mr. Toll with Mr. MacGregor.
Mr. Roosevelt with Mr. Mathias.
Mr. Pepper with Mr. Wydler.
Mr. Purcell with Mr. Gray.
Mr. Colmer with Mr. Gettys.
Mr. Fulton of Tennessee with Mr. Miller.
Mr. Yates with Mr. Jones of Alabama.
Mr. Smith of Iowa with Mr. Stephens.
Mr. Blatnik with Mr. Ashley.
Mr. Udall with Mr. Dawson.
Mr. Everett with Mr. Evans of Colorado.
Mr. Abbitt with Mr. Foley.

The result of the vote was announced as above recorded.

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

S. 974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965".

SEC. 2. Section 101 of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act") is amended by inserting before the last sentence thereof the following new sentence: "The Congress further finds that, because of reductions in, or changes in the nature, kind, or extent of, national defense and other industrial activities, many professional employees have become unemployed, and because of the specialized nature of their previous employment, are in need of refresher or reorientation educational courses in order to become qualified for other employment in their professions."

SEC. 3. (a) Section 102(5) of the Manpower Development and Training Act, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by adding new paragraph (6) at the end thereof to read as follows:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants with public or private nonprofit agencies or contracts with public or any appropriate private agency, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this section require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of the Act;

SEC. 4. Sections 103 and 104 are renumbered 106 and 107, and new sections 103, 104, and 105 are added, to read as follows:

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been

found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in security bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

SEC. 5. Section 202(i) of the Act is amended by striking the words "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks.", and by changing the comma after the word "Act" to a period.

SEC. 6. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The trainnig allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked in excess of twenty hours per week.

(b) Section 203(b) of the Act is amended as follows:

(1) Insert a comma after the word "transportation" where it first occurs, strike out the language after that word and before the word *"Provided"* and insert the following in lieu thereof: "and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:";

(2) Change the period at the end of section 203 (b) to a comma and insert the following immediately thereafter: "except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe."

(c) Section 203 (c) of the Act is amended as follows:

(1) Strike the words "not less than" and insert "at least" in lieu thereof;

(2) Insert a colon after the words "gainful employment", strike everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: *"Provided,* That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further,* That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowance (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training."

(d) Section 203(d) of the Act is repealed, and sections 203(e), 203(f), 203(g), 203(h), 203(i), and 203(j) are relettered 203(d), 203(e), 203(f), 203(g), 203(h), and 203(i).

(e) The present section 203(h) (2) of the Act is amended by striking everything in the first sentence after the words "all of such benefits paid" and adding a period immediately thereafter.

SEC. 7. Section 208 is repealed.

SEC. 8. (a) Section 231 of the Act is amended by striking the second sentence thereof and inserting in lieu thereof the following:

"Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can (1) provide substantially equivalent training with comparable Federal expenditures, or (2) provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or (3) make possible an expanded use of the individual referral method, or (4) aid in reducing more quickly unemployment or current and prospective manpower shortages."

(b) Section 231 of the Act is amended by striking the third sentence and inserting the following in lieu thereof: "The State agency shall be paid 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because (1) a State is without authority on the date of the enactment of the "Manpower Act of 1965" to enact legislation providing contributions to noncollegiate, adult education or training conducted in public institutions, or (2) such payments with respect to private educational or training institutions are required to give full effect to the purposes of the Act: *Provided,* That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—REDEVELOPMENT AREAS

"SEC. 251. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities and under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(4) no funds available under this section shall be generally apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required.

"(b) Sections 16 and 17 of the Area Redevelopment Act are hereby repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the date of repeal of such sections."

SEC. 10. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon in lieu of the period, and adding the following after the colon: *"Provided,* That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year."

SEC. 11. Section 302 of the Act is amended by striking the word "and" following "the

Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963" following "the Vocational Education Act of 1946,".

SEC. 12. Section 304 is amended to read as follows:

"SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary."

SEC. 13. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965."

SEC. 14. Section 306(a) of the Act is amended by inserting after the word "procedures" the following: "including, subject to such policies, rules, and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000".

SEC. 15. Sections 309(a) and 309(b) are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year."

SEC. 16. Sections 310(a) and 310(b) are both amended by striking "1966" and inserting in lieu thereof: "1970".

AMENDMENT OFFERED BY MR. O'HARA OF MICHIGAN

Mr. O'HARA of Michigan. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: Strike out all after the enacting clause and insert in lieu thereof the provisions of H.R. 4257 as passed:

"That this Act may be cited as the "Manpower Act of 1965".

"SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the 'Act'), is amended by adding a comma after the word 'arrange' and inserting 'through grants or contracts,' immediately following the comma.

"(b) Section 102 of the Act is further amended by striking out 'and' at the end of the paragraph (4), by striking out the period at the end of the paragraph (5) and inserting in lieu of such period '; and', and by adding at the end of such section the following new paragraph:

"'(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act.'

"SEC. 3. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"'JOB DEVELOPMENT PROGRAMS

"'SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"'LABOR MOBILITY DEMONSTRATION PROJECTS

"'SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"'(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"'(1) there is reasonable assurance of repayment of the loan;

"'(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"'(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"'(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"'(5) the loan is repayable within not more than ten years.

"'(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"'TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"'SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.'

"(b) Section 102(2) of the Act is amended by striking out '104' and inserting in lieu thereof '107'.

"SEC. 4. Section 202(i) of the Act is amended by striking out ', and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks'.

"SEC. 5. (a) Section 203(a) of the Act is amended as follows:

"(1) Amend the second sentence thereof to read as follows: 'Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.';

"(2) Amend the second paragraph thereof to read as follows:

"'With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.';

"(3) Insert the words 'under the training program' after 'compensated hours per week' in the third paragraph of such subsection:

"(4) In lieu of the fourth paragraph of such subsection insert the following:

"'The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an

on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.'

"(b)(1) Section 203(b) of the Act is amended by striking out the matter following 'to defray transportation' and preceding '*Provided*', and by inserting in lieu of such matter the following: 'expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:'.

"(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ', except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe'.

"(c) Section 203(c) of the Act is amended as follows:

"(1) Strike the words 'not less than' in the first sentence and insert 'at least' in lieu thereof;

"(2) Strike out everything in the first sentence after the words 'gainful employment', and insert the following in lieu thereof: ': *Provided*, That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.';

"(3) Amend the last sentence to read as follows: 'The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation).'

"(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such section are redesignated as (d), (e), (f) (g), (h), and (i), respectively.

"(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5 (d) of this Act) is amended by striking out everything that follows 'all of such benefits paid' and inserting in lieu thereof a period.

"SEC. 6. Section 208 of the Act is repealed.

"SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting in lieu thereof the following: 'The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.'

"SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"'PART C—REDEVELOPMENT AREAS

"'SEC. 241. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"'(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"'(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided*, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"'(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"'(4) section 301 shall not apply with respect to funds available under this section.

"'(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section.'

"(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed.

"(c) This section and the amendments made by it shall take effect on July 1, 1965.

"'SEC. 9. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso:

"'*Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon thirty days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'

"SEC. 10. Section 302 of the Act is amended by striking the word 'and' following 'the Smith-Hughes Vocational Education Act' inserting a comma in lieu thereof, and inserting 'and the Vocational Education Act of 1963,' following 'the Vocational Education Act of 1946,'.

"SEC. 11. Section 304 of the Act is amended to read as follows:

"'SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years such amounts as may be necessary.'

"SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"'(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved.'

"SEC. 12. Subsection (a) of section 306 of the Act is amended by inserting after the comma immediately following the word 'procedures' the following:

"'subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000,'

"SEC. 13. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: 'Prior to April 1 in each year for which an appropriation is authorized by section 304'.

"SEC. 14. Section 310 of the Act is amended by striking out '1966' wherever it appears and inserting in lieu thereof '1968'.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4257) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROGRAM FOR WEEK OF APRIL 5

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I ask for this time for the purpose of asking the distinguished majority leader the schedule for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, we have finished the legislative business for this week, and it will be our purpose to ask to adjourn over after the announcement of the program. The program for next week is as follows:

Monday is Consent Calendar day and there are five suspensions:

H.R. 3990, amendment of section 1871 of title 28, United States Code, to increase the per diem and subsistence and limit mileage allowances of grand and petit jurors;

H.R. 1763, amendment of section 1825 of title 28 of the United States Code, to authorize the payment of witness' fees in habeas corpus cases and in proceedings to vacate sentence under section

2255 of title 28 for persons who are authorized to proceed in forma pauperis;

H.R. 5702, extension of National Commission on Food Marketing;

H.R. 4778, increasing the amounts authorized for Indian adult vocational education; and

H.R. 980, to provide for the return of obscene mail matter.

Also on Monday the 1966 appropriation act for the Treasury and Post Office Departments.

Tuesday is Private Calendar day. Also on Tuesday the Second Supplemental Appropriation Act, 1965, and House Resolution 273, to grant additional travel authority to the Committee on Public Works.

Wednesday and the balance of the week, H.R. 6675, the Social Security Amendments of 1965, which, of course, is the so-called medicare bill.

This announcement is made with the usual reservations that conference reports may be brought up at any time and any additional program may be announced at a later time.

Mr. GERALD R. FORD. Would the distinguished majority leader give the Members of the House any guideline for the program prior to and subsequent to the Easter recess?

Mr. ALBERT. Mr. Speaker, I am happy that the gentleman has brought this subject up, because I think the Members of the House are entitled to know what the program is so that they can make their own arrangements accordingly.

I am able to announce now that it will be our purpose to have off Friday, the 16th of April, and Saturday, Sunday, Monday, and Tuesday. We will have important legislative business on Wednesday, April 21. We have 5 days during the Easter period and Members may govern themselves accordingly.

Mr. GERALD R. FORD. Mr. Speaker, can the gentleman give the Members information as to what legislation will be scheduled beginning on Wednesday the 21st?

Mr. ALBERT. On that, if the gentleman will permit, I should like to remain flexible. There is a very good chance that the first bill after coming back will be the authorization bill for the Department of Defense which, of course, is a very large authorization and a very important bill.

Mr. GERALD R. FORD. Is it the hope that we will finish perhaps not Thursday night the 15th, but possibly Wednesday night the 14th?

Mr. ALBERT. I would not like to make any commitment on that. We are not going out of our way to try to find extra business; but I must confine my remarks, as I have previously, to advising the House that our recess will begin on Thursday after the business of that day is finished.

Mr. GERALD R. FORD. I thank the majority leader.

ADJOURNMENT OVER UNTIL MONDAY, APRIL 5

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, am I to understand that we are going to have a 5-day Easter recess, or maybe a 4-day Easter recess—it depends on how you figure it, of course—but there is no assurance that we will be in recess until the Friday before Easter?

Mr. ALBERT. Thursday afternoon after the conclusion of the legislative business for that day. The gentlemen then may safely be away until the House convenes at noon on next Wednesday.

Mr. GROSS. On the following Wednesday?

Mr. ALBERT. That is correct; the gentleman is correct.

Mr. GROSS. Mr. Speaker, the gentleman is not doing much of a favor for those of us who are a thousand miles or more away from home.

Mr. ALBERT. The gentleman does not live any farther away from Washington than I do. We are doing the best we can under the circumstances to accommodate as many Members as possible.

Mr. Speaker, the gentleman from Iowa, more than any other Member that I know of, deplores the fact that the House sometimes does not meet regularly on Thursday, Friday, and Saturday. But we meet every Thursday, Friday, and Saturday when we have business. If we did not have business on Wednesday, after the Easter recess, we would adjourn over, but we do have business and will have to reconvene on that date.

Mr. GROSS. That was the point I was trying to make. The House does not meet on Friday, except on rare exceptions.

Mr. ALBERT. That is only when the House does not have business.

Mr. GROSS. But it seldom meets on Friday, and that apparently will be the case on tomorrow which is Friday.

Mr. ALBERT. It meets whenever it has business on Friday. May I ask the gentleman this? When the gentleman has done a week's work, does he not think he ought to be able to take off? When we finish our week's schedule, whether it is Thursday or Friday or Saturday, does he not think we ought to have the rest of the week off? Last Friday we were here until 10:30 p.m.

Mr. GROSS. All that the gentleman from Iowa is trying to do is to ask the gentleman, if out of his warm heart, he could not open up a little bit and make the recess 10 days instead of 3 or 4 days?

Mr. ALBERT. The gentleman almost moves me to tears.

Mr. FULTON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FULTON of Pennsylvania. Mr. Speaker, when is the House going to observe Pan American Day? I believe it is the week just before Easter, is it not?

Mr. ALBERT. I think it is the 14th of April.

Mr. FULTON of Pennsylvania. Why could we not go out just before the close of business on the 13th, the day before Pan American Day?

Mr. ALBERT. We would not be doing Pan American Day justice if we do not observe it here on the floor of the House.

Mr. FULTON of Pennsylvania. Why could we not finish the business of the week, the legislative business, on the day before Pan American Day so that others who feel they could get away could leave and others could stay and observe Pan American Day?

Mr. ALBERT. We hope to finish the legislative business as fast as we can. That is our intention.

Mr. GROSS. What I am trying to say to the gentleman from Oklahoma is that I am perfectly willing to work Mondays through Fridays, 5 days, and at least 8 hours each day in order to expedite the business of the House and make it possible to spend a little time with those I am privileged to represent. I strenuously protest the failure to provide a reasonable Easter recess.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. COLMER. Mr. Speaker, further reserving the right to object, if I am in order—and may I say I do not propose to object—I want to take this opportunity to point out that it is very difficult under the rules of this House for Members to vote sometimes.

On the bill that was just disposed of a moment ago I had handled the rule and had stated my position in favor of the bill. However, I had been called to my office to see some constituents and was detained down here—I left my office shortly after the first call but was detained in the elevator, a stuck elevator. When I got into the Chamber, they had passed my name and had gotten into the D's. Therefore, I could not qualify to vote.

I just wanted to call this to the attention of the distinguished majority leader. That has happened to me before, but not exactly under those circumstances. I want to suggest that there is not, after all, any difference whether we vote under three bells or two bells, and under the automatic rollcall, you go down in the well of the House and you do not have to qualify.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, the situation which the gentleman describes is most unfortunate, and I, for one, wish there was some way under the circumstances for the gentleman to have his vote recorded. There is no more conscientious Member of the House than the gentleman from Mississippi. I wish there was some way we could take care of this matter. The gentleman's complaint is certainly meritorious.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

Mr. COLMER. I am willing to surrender. I quit.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COOLEY. Is it in order for me to ask unanimous consent that the gentleman from Mississippi [Mr. COLMER] be

Apr. 5, 1965

14. LEGISLATIVE PROGRAM. Sen. Mansfield said the military procurement bill is to be considered today, followed by the education bill on Apr. 7. p. 6790

HOUSE

15. ADMINISTRATIVE PROVISIONS; OMNIBUS BILL. Passed without amendment H. R. 5508, to facilitate the work of this Department (pp. 6584-6). See Digest 35 for a summary of the provisions of the bill.

16. FOOD MARKETING. Passed, under suspension of the rules, H. R. 5702, to extend for one year (until July 1, 1966) the date on which the National Commission on Food Marketing shall make a final report to the President and to the Congress, and to authorize $1 million additional for the work of the Commission. pp. 6587-90

17. TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION ACT, 1966. By a vote of 344 to 7, passed without amendment this bill, H. R. 7060 (pp. 6606-38). The bill includes funds for the Budget Bureau, Council of Economic Advisers, and Advisory Commission on Intergovernmental Relations.

18. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965. The Appropriations Committee formally reported (on Apr. 2, during adjournment) this bill, H. R. 7091 (p. 6677). See Digest 59, part 2, for a summary of items of interest.

19. FORESTRY. Passed as reported H. R. 398, to permit the exploration, development, utilization, entry, and patent of the mineral resources on approximately 7,178 acres of land in the Gunnison, Rio Grande, San Juan, and White River National Forests in Colorado. pp. 6583-8

At the request of Rep. Cooley, H. R. 6891, to provide for family winter recreational use of a portion of the San Gorgonio Wilderness Area, San Bernardine National Forest, Calif., was rereferred from the Agriculture Committee to the Interior and Insular Affairs Committee. p. 6587

20. NATIONAL PARKS. The Subcommittee on National Parks and Recreation of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 500, to provide for the establishment of the Agate Fossile Beds National Monument, Nebr. p. D263

21. MANPOWER DEVELOPMENT AND TRAINING. Conferees were appointed by both Houses on S. 974, to amend and extend the Manpower Development and Training Act of 1962. pp. 6638, 6786-8

22. FARM PROGRAM. Rep. Purcell commended the administration farm bill, particularly the wheat provisions, stating that the voluntary certificate wheat program has been favorably accepted by the farmers, reduced costs and the wheat surplus, and has maintained the income of wheat farmers at a fair level. p. 6676

Rep. Findley criticized the farm bill, particularly the feed grain provisions, stating that the "Secretary could easily get soybeans into the same surplus trouble which has beset corn, wheat, and other major crops for years." p. 6644

23. USER CHARGES; SOIL CONSERVATION. Received a N. Mex. Legislature resolution opposing the proposed user charge on SCS technical service to farmers and ranchers. p. 6679

24. ELECTRIFICATION. Rep. Andrews inserted an editorial urging the Rural Electrification Administration to make a loan for the construction of an electric generating plant in Oliver Co., N. Dak. p. 6647

25. HOUSING AND URBAN DEVELOPMENT. Rep. Widnall compared the provisions of the administration's housing and urban development bill, H. R. 5840, with those of the Republican bill, H. R. 9501. pp. 6645-7

26. PRINTING; INFORMATION. Rep. Berry contended that Government printing plants are competing with private industry and inserted a listing of Federal printing facilities, including one in the Forest Service. p. 6643

27. MINERALS. Received from the President a semi-annual report of the Office of Minerals Exploration, Department of the Interior. p. 6581

ITEMS IN APPENDIX

28. TOBACCO. Extension of remarks of Sen. Cooper inserting the text of a speech he made several years ago, "The Tobacco Program: Why It is Needed--How It is Working." pp. A1625-30

29. FARM LABOR. Extension of remarks of Rep. Talcott criticizing a newspaper editorial, "Goodby to Braceros," and inserting a copy of his reply to the editor mentioning some of the "misleading statements" of the editorial. pp. A1630-1

Extension of remarks of Rep. Gubser inserting and commending an article "concerning the effort of southern Santa Clara County farmers to improve working conditions in order to attract domestic migratory workers" as a replacement for braceros. A1648

30. EDUCATION. Speeches in the House by Reps. Sickles and Gurney during debate on the proposed Elementary and Secondary Education Act of 1965. pp. A1631-2, A1633-4.

31. CONSERVATION. Extension of remarks of Rep. Hansen, Ida., inserting an editorial stating that "Congress should carefully scrutinize the Budget Bureau's recommended reductions...in the appropriations for the...Soil Conservation Service." pp. A1634-5

32. MANPOWER. Speech in the House by Rep. Springer during debate on the proposed Manpower Act of 1965. pp. 1635-6

33. POVERTY. Rep. Griffiths inserted a newspaper article on the poverty program, stating that a new definition of poverty will be announced by OEO based on the cost of living and that "it is expected to raise the poverty line for nonfarm families to $3,120 and lower it to $1,850 for farm families." p. A1643

34. WATER. Extension of remarks of Rep. Bolton inserting and commending an article critical of the proposal to build dams above and below the Grand Canyon. p. 1644-5

35. EMPLOYMENT. Rep. Cohelan inserted his recent speech suggesting ways for promoting fair and equal employment opportunities. pp. A1614-5

36. CONSUMERS. Rep. Laird inserted a recent speech by Rep. May expressing concern over proposed legislation affecting consumers, "A Woman Legislator's View on Consumer Protection." pp. A1653-4

Mr. STEED. Nobody called this to the attention of the Committee until the gentleman appeared on the floor today. We have had no opportunity to go into the matter, to find out anything about it. It does not seem to me fair to ask us to approve an amendment here today when we are in no position to check any information on the background of this letter.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HALL. Mr. Chairman, I appreciate the gentleman's yielding to make such a statement, but in view of the date of the letter which is April 1, 1965, that is tantamount, I think the chairman of the subcommittee will agree with me, to saying that we should continue appropriations even in the fact of admitted misuse of funds. I am thoroughly in agreement with the gentleman that it would have been nice if we had had the time to go into these disclosures and to look into this admission of malfeasance, if you please. It would have been nice to have had the time to bring it to the legislative committee and then the Subcommittee on Appropriations. But under these circumstances, the date of the letter being April 1, 1965, and today being the 5th day of April, there was no chance to do that. I submit again that we should not, as an appropriating body of the Congress of the United States, continue to appropriate funds to be used for this purpose.

This amendment simply limits the funds that they will have to use for such activity in the subsequent year.

Mr. STEED. Mr. Chairman, will the gentleman yield to me to ask a question? Is this letter signed by the Commissioner of Internal Revenue?

Mr. GROSS. This is a letter signed by Mr. Harvey H. Hannah, Acting General Counsel of the Post Office Department.

Mr. STEED. If the gentleman will yield, does the letter make any statement as to whether this practice has been stopped or will be continued or what does it say?

Mr. GROSS. The letter states that the authority for the Internal Revenue Service to seize mail for the purpose of income tax investigation has been withdrawn—has been withdrawn—but there is nothing in the letter to say that it could not be renewed tonight or tomorrow morning.

Mr. STEED. I believe the gentleman from Iowa has helped me to prove to the House that this is something that should be gone into, but not at the 11th hour such as has been suggested.

The committee does not like to be in the position trying to block something that perhaps should be done. But in my opinion this is not a good way to proceed on these matters.

Mr. GROSS. All the gentleman is asking for is that due process of law be used in this matter, and that is all.

Mr. STEED. Due process of this committee?

Mr. GROSS. Is there anything wrong with that?

Mr. STEED. The due process of this committee is to have an opportunity to know what it is doing before it goes along with approving such an amendment.

Mr. GROSS. This will not deprive the Treasury Department of a dime of money or the Post Office Department. It is designed to put a stop to this violation of the mails.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a question of the gentleman from Missouri [Mr. HALL]?

Mr. GROSS. Of course.

Mr. HOLIFIELD. I believe it might be better to have this question directed to the gentleman from Missouri. Is the contention here that a mail cover is to be equated with search and seizure? Is this the contention of the gentleman, or is he contending that mail has been seized and opened? Is that what the gentleman says? He is not speaking of a mail cover?

Mr. HALL. Will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Missouri.

Mr. HALL. I am not speaking of mail cover. I am not speaking of any of these other devices which the other body has been recently investigating. I am speaking of the 14 admitted cases in the last 2 years where the acting general counsel of the Post Office Department has admitted search and seizure in the tax delinquent cases.

Mr. HOLIFIELD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. HALL) there were—ayes 13, noes 27.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, the Chair recognizes the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. BLATNIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7060) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1966, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. STEED. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the yeas had it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 344, nays 7, not voting 82, as follows:

[Roll No. 64]

YEAS—344

Abbitt	Dowdy	Kastenmeier
Abernethy	Downing	Kee
Adair	Dulski	Keith
Adams	Duncan, Oreg.	King, Calif.
Addabbo	Duncan, Tenn.	King, Utah
Albert	Dwyer	Kirwan
Anderson, Ill.	Dyal	Kornegay
Anderson, Tenn.	Edmondson	Krebs
Andrews, George W.	Erlenborn	Kunkel
Andrews, N. Dak.	Evans, Colo.	Laird
Annunzio	Everett	Langen
Arends	Evins, Tenn.	Latta
Ashmore	Fallon	Lennon
Ayres	Farbstein	Lindsay
Bandstra	Farnum	Lipscomb
Baring	Fascell	Long, La.
Barrett	Feighan	Long, Md.
Bates	Fisher	Love
Battin	Flood	McCarthy
Beckworth	Flynt	McClory
Belcher	Fogarty	McCulloch
Bell	Foley	McDade
Bennett	Ford, Gerald R.	McDowell
Berry	Ford, William D.	McEwen
Betts	Fountain	McFall
Bingham	Frelinghuysen	McGrath
Blatnik	Friedel	McVicker
Boland	Fulton, Tenn.	Macdonald
Bolling	Fuqua	Machen
Bolton	Gallagher	Mackay
Bow	Garmatz	Madden
Brock	Gathings	Mahon
Brooks	Gettys	Marsh
Broomfield	Giaimo	Martin, Ala.
Brown, Calif.	Gilbert	Martin, Nebr.
Brown, Ohio	Gilligan	Mathias
Broyhill, N.C.	Gonzalez	Matsunaga
Broyhill, Va.	Goodell	Matthews
Buchanan	Gray	May
Burke	Green, Oreg.	Meeds
Burleson	Green, Pa.	Michel
Burton, Calif.	Greigg	Miller
Burton, Utah	Grider	Mills
Byrne, Pa.	Griffiths	Minish
Cabell	Grover	Mink
Callan	Gubser	Minshall
Callaway	Gurney	Mize
Cameron	Hagen, Calif.	Moeller
Carey	Haley	Monagan
Carter	Halleck	Moore
Chamberlain	Halpern	Morgan
Chelf	Hamilton	Morris
Clancy	Hanley	Morse
Clark	Hanna	Morton
Clausen, Don H.	Hansen, Idaho	Mosher
Clawson, Del	Hansen Iowa	Moss
Cleveland	Hansen, Wash.	Multer
Clevenger	Hardy	Murphy, Ill.
Cohelan	Harris	Murphy, N.Y.
Collier	Harvey, Ind.	Natcher
Colmer	Harvey, Mich.	Nedzi
Conable	Hathaway	Nelsen
Conte	Hawkins	O'Brien
Conyers	Hays	O'Hara, Ill.
Cooley	Hechler	O'Hara, Mich.
Corbett	Henderson	Olsen, Mont.
Corman	Herlong	Olson, Minn.
Cramer	Hicks	O'Neal, Ga.
Culver	Holifield	O'Neill, Mass.
Cunningham	Horton	Ottinger
Curtin	Hosmer	Patman
Daddario	Howard	Patten
Dague	Hull	Pelly
Daniels	Hungate	Pepper
Davis, Ga.	Huot	Perkins
Davis, Wis.	Hutchinson	Philbin
Dawson	Ichord	Pike
Delaney	Jacobs	Pirnie
Denton	Jarman	Poage
Dingell	Joelson	Poff
Dole	Johnson, Calif.	Pool
Donohue	Johnson, Okla.	Powell
	Johnson, Pa.	Pucinski
	Jonas	Purcell
	Karsten	Quie
		Quillen

Race	Schneebeli	Tupper
Randall	Schweiker	Udall
Redlin	Secrest	Ullman
Reid, Ill.	Selden	Utt
Reid, N.Y.	Senner	Van Deerlin
Reifel	Shriver	Vanik
Reinecke	Sickles	Vigorito
Reuss	Sikes	Waggonner
Rhodes, Ariz.	Sisk	Walker, Miss.
Rhodes, Pa.	Skubitz	Walker, N. Mex.
Rivers, Alaska	Slack	Watkins
Robison	Smith, Calif.	Watts
Rodino	Smith, Iowa	Weltner
Rogers, Colo.	Smith, N.Y.	White, Idaho
Rogers, Fla.	Stafford	White, Tex.
Rogers, Tex.	Stalbaum	Whitener
Ronan	Stanton	Whitten
Rooney, N.Y.	Steed	Widnall
Rooney, Pa.	Stratton	Williams
Rosenthal	Stubblefield	Willis
Roudebush	Sullivan	Wilson, Bob
Roush	Talcott	Wilson, Charles H.
Roybal	Taylor	Wright
Rumsfeld	Teague, Calif.	Wyatt
Ryan	Thomas	Wydler
Satterfield	Thompson, La.	Yates
St. Onge	Thompson, Tex.	Young
Saylor	Thomson, Wis.	Younger
Scheuer	Todd	Zablocki
Schisler	Trimble	
Schmidhauser	Tuck	

NAYS—7

Ashbrook	Dickinson	Hall
Curtis	Gross	O'Konski
Devine		

NOT VOTING—82

Andrews, Glenn	Fulton, Pa.	Nix
Ashley	Gibbons	Passman
Aspinall	Grabowski	Pickle
Baldwin	Griffin	Price
Boggs	Hagan, Ga.	Resnick
Bonner	Harsha	Rivers, S.C.
Brademas	Hébert	Roberts
Bray	Helstoski	Roncalio
Byrnes, Wis.	Holland	Roosevelt
Cahill	Irwin	Rostenkowski
Casey	Jennings	St Germain
Cederberg	Jones, Ala.	Scott
Celler	Jones, Mo.	Shipley
Craley	Karth	Smith, Va.
de la Garza	Kelly	Springer
Dent	Keogh	Staggers
Derwinski	King, N.Y.	Stephens
Diggs	Kluczynski	Sweeney
Dorn	Landrum	Teague, Tex.
Dow	Leggett	Tenzer
Edwards, Ala.	McMillan	Thompson, N.J.
Edwards, Calif.	MacGregor	Toll
Ellsworth	Mackie	Tunney
Farnsley	Mailliard	Tuten
Findley	Martin, Mass.	Vivian
Fino	Moorhead	Whalley
Fraser	Morrison	Wolff
	Murray	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Byrnes of Wisconsin.
Mr. Rivers of South Carolina with Mr. Glenn Andrews.
Mr. Toll with Mr. Fulton of Pennsylvania.
Mr. Wolff with Mr. Harsha.
Mr. Jennings with Mr. Martin of Massachusetts.
Mr. Tenzer with Mr. Fino.
Mr. Helstoski with Mr. Whalley.
Mr. Staggers with Mr. MacGregor.
Mr. Hébert with Mr. Mailliard.
Mr. Bonner with Mr. Bray.
Mr. Kluczynski with Mr. Springer.
Mr. Gibbons with Mr. Cahill.
Mr. Thompson of New Jersey with Mr. Cederberg.
Mr. Boggs with Mr. Ellsworth.
Mr. Celler with Mr. King of New York.
Mr. St Germain with Mr. Derwinski.
Mr. Rostenkowski with Mr. Findley.
Mr. Jones of Alabama with Mr. Edwards of Alabama.
Mr. Moorhead with Mr. Griffin.
Mr. Teague of Texas with Mr. Grabowski.
Mr. Roosevelt with Mr. Landrum.
Mr. Nix with Mr. de la Garza.
Mr. Brademas with Mrs. Kelly.
Mr. Roncalio with Mr. Leggett.
Mr. Casey with Mr. Ashley.
Mr. Dent with Mr. Diggs.
Mr. Cooley with Mr. Shipley.
Mr. Sweeney with Mr. Resnick.
Mr. Hagan of Georgia with Mr. McMillan.
Mr. Stephens with Mr. Tunney.
Mr. Vivian with Mr. Tuten.
Mr. Aspinall with Mr. Holland.
Mr. Scott with Mr. Irwin.
Mr. Dorn with Mr. Edwards of California.
Mr. Roberts with Mr. Karth.
Mr. Smith of Virginia with Mr. Passman.
Mr. Dow with Mr. Farnsley.
Mr. Price with Mr. Fraser.
Mr. Morrison with Mr. Mackie.
Mr. Pickle with Mr. Murray.

Mr. DUNCAN of Tennessee changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. STEED. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 974) entitled "An act to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CLARK, Mr. RANDOLPH, Mr. MCNAMARA, Mr. PELL, Mr. KENNEDY of Massachusetts, Mr. NELSON, Mr. PROUTY, Mr. JAVITS, and Mr. MURPHY to be the conferees on the part of the Senate.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, with House amendments thereto, insist on the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

The Chair hears none and appoints the following conferees: Messrs. POWELL, O'HARA of Michigan, DANIELS, PUCINSKI, GIBBONS, HATHAWAY, AYRES, ASHBROOK, and QUIE.

CORRECTION OF THE RECORD

Mr. CONTE. Mr. Speaker, on page 6195 of the CONGRESSIONAL RECORD for March 31, 1965, under a special order granted to me, I included some remarks bearing on legislation which I introduced on that date along with my distinguished colleague from Arkansas. The fifth paragraph of my statement reads as follows:

> The plan will eliminate the 58 different district offices around the country to which taxpayers must now forward their returns. It will permit taxpayers to file directly to one of the seven regional centers, where it will be processed swiftly and accurately by electronic computing machines.

This language should read and I request unanimous consent that the permanent RECORD be changed so that the fifth paragraph of my statement read as follows:

> The plan will greatly expedite the handling of taxpayer returns by permitting them to be filed directly to one of the 7 regional offices instead of mailing first to 1 of the 58 district offices. It will eliminate one time-consuming step in the processing of returns, although the other functions such as taxpayer counseling, return auditing, and adjustments will continue to be performed by the district offices. Thus full services will continue to be maintained for taxpayers at the local level, while paperwork will be centralized.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CORRECTION OF ROLLCALL

Mr. MOORE. Mr. Speaker, on rollcall No. 58 I am recorded as "not voting." I was in the Chamber and voted "yea." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

DISCUSSION OF FARM LABOR SITUATION

(Mr. COHELAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHELAN. Mr. Speaker, I would like to advise our colleagues that tomorrow, after the completion of legislative business, I have taken a special order of 1 hour to discuss the current, objective situation in farm labor.

There has been much discussion of this subject, but most of it, unfortunately, has elicited more heat than light.

I am encouraging all Members who are concerned with attracting and holding an adequate and stable supply of farm labor to be present for the discussion which several of our colleagues will join me in making.

NO GROWTH IN SUPPLY OF MONEY THREATENS PROSPERITY; CO-OPS CALL FOR MONETARY REFORM, VIEWS OF OUR FORMER COLLEAGUE, HON. JERRY VOORHIS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

sult in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

2. The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 percent of the price support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums, and, if designated by the Secretary, barley.

(d) The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

3. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III—RICE

Title III of the bill would authorize a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

1. The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60 million hundredweights of rice instead of the 1,652,596 acres specified under existing law.

2. Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed by Commodity Credit Corporation on the first 1,500 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

3. The marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

4. Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates from (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial.

5. Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

6. The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the program currently in effect to the marketing certificate program.

7. Price support—

(i) for rice with marketing certificates would be between 65 and 100 percent of parity;

(ii) for noncertificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

8. The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

9. After 1967, the existing provisions of law for acreage allotments, marketing quotas, and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farmowner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV—WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI—TRANFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, a little more than 28 years ago, I introduced that title of the law which now

covers tobacco. During the entire time the tobacco law has been on the statute books, somehow, in some way, tobacco growers when they wanted to amend the law, got together and agreed to present a united front with respect to any changes to be made.

I point out that since 1956 the acreage in tobacco has decreased from 875,200 acres to 626,000 acres. All of that reduction was agreed to by the tobacco growers. I regret that today there is some difference of opinion among the tobacco growers.

I attended the hearings and was present when all parties testified on the proposal now before the Senate. Except for some of the witnesses from Georgia and Florida and a few others who testified against the bill, the rest of the tobacco growers of the country seem to be in accord.

I believe the record will show that the tobacco growers of Georgia and Florida produce from 10 to 13 percent of the Flue-cured tobacco that we are discussing. The rest of the crop is produced in North Carolina, South Carolina, Virginia, and some in Kentucky.

I gave consideration to the fact that there was testimony in the hearings tending to show that under the law last year the Secretary of Agriculture presented a proposal to the tobacco growers whereby they were further to reduce their acreage by 19.5 percent. That proposal was submitted to the farmers. It carried by over two-thirds of those voting. That concerned me. However, I learned later that a precedent had been established in 1955. The farmers had previously approved marketing quotas for the 1953, 1954, and 1955 crops of burley tobacco. The Secretary established quotas for 1955 which required a 10 percent reduction in allotments. This was not a large enough reduction, and legislation was passed providing for a further 15-percent reduction, if approved by farmers in a referendum. I believe that action constitutes a valid precedent for the present bill. It is up to Congress to make this change if it sees fit. If the present bill is enacted, it would mean that the tobacco growers would be given another opportunity to vote on a proposal which will reflect the new provisions of the pending bill.

There is no doubt that something must and should be done with respect to tobacco. I understand that the administration is in favor of the bill as presented with the possible exception of one amendment offered by the distinguished Senator from Kentucky. But, I do not believe there is much opposition to that amendment.

If the tobacco price support program is to continue, be of value and not hurt the farmers in the future, it seems to me that something must be done to curtail the enormous surplus now in the warehouses.

As my good friend from North Carolina pointed out, because Florida and Georgia markets for tobacco open a little earlier than the tobacco markets in Virginia, South Carolina, North Carolina, and Kentucky, they have an advantage in being able to sell their crops at an earlier date. I understand that was the reason given by witnesses as to why there is less tobacco placed under loan from Florida and Georgia.

The fact remains that about 88 percent of the tobacco that we are talking about now—a tremendous percentage—is grown in the States of North Carolina, South Carolina, and Virginia in particular. It would seem to me that unless something is done to alleviate this surplus we will be in serious trouble. This bill, if enacted, will correct the problem by putting the production of tobacco on an acreage-poundage basis rather than just acreage. Because of this there will likely be a reduction in production this year.

There is no doubt in my mind that reductions in tobacco acreage have stimulated intensive cultivation and growth of much tobacco that is now not of high quality. As the acreages of the farmers decrease they pour a little more fertilizer on the crop, they plant the tobacco stalks a little closer and the rows a little closer, resulting in more production.

As a result, as I recall, the production of tobacco has increased from about 600 to 800 pounds per acre, when the bill was first put on the statute books, to about 2,200 pounds now. All of that has come about, in my opinion, because the acreage in tobacco has been smaller and smaller. Of course, the farmers tried to grow more and more tobacco on the decreased acreage.

The pending bill, as I understand, contemplates putting tobacco allocations on an acreage-poundage basis, which would mean that a farmer would be allocated so many pounds as a marketing quota. In that way he would probably be able to plant a little larger acreage, and not use so much fertilizer, and perhaps produce a better quality of tobacco that will be readily sold on the market.

Because of the fact that there is such a large quantity of surplus tobacco on hand, it is my belief we ought to give the bill a trial, at any rate. I am hopeful the Senate will look with favor on the bill.

As I have said, the administration is for the bill. In the new farm bill, which I just sent to the desk for reference, tobacco is not included. As I understand, this will be the only bill introduced this year affecting tobacco.

Mr. JORDAN of North Carolina. So far as I know, that is correct.

Mr. ELLENDER. I ask that the bill be enacted.

AMENDMENT OF MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immedaitely following the comma.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangments for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants and the priority of projects in meeting the objectives of this Act."

SEC. 3. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

(b) Section 102(2) of the Act is amended by striking out "104" and inserting in lieu thereof "107".

SEC. 4. Section 202(i) of the Act is amended by striking out ", and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks".

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week."

(b)(1) Section 203(b) of the Act is amended by striking out the matter following "to defray transportation" and preceding "Provided", and by inserting in lieu of such matter the following: "expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ", except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" in the first sentence and insert "at least" in lieu thereof;

(2) Strike out everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: ": *Provided,* That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such sections are designated as (d), (e), (f), (g), (h), and (i), respectively.

(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

SEC. 6. Section 208 of the Act is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting in lieu thereof the following: "The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided,* That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—REDEVELOPMENT AREAS

"SEC. 241. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(4) section 301 shall not apply with respect to funds available under this section.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section."

(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed.

(c) This section and the amendments made by it shall take effect on July 1, 1965.

SEC. 9. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso:

"*Provided,* That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the 6th month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year."

SEC. 10. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946,".

SEC. 11. Section 304 of the Act is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years such amounts as may be necessary."

SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided,* That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 13. Subsection (a) of section 306 of the Act is amended by inserting after the comma immediately following the word "procedures" the following: "subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed $75,000,"

SEC. 14. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year for which an appropriation is authorized by section 304".

SEC. 15. Section 310 of the Act is amended by striking out "1966" wherever it appears and inserting in lieu thereof "1968".

Mr. CLARK. Mr. President, I move that the Senate disagree to the amendment of the House to the bill (S. 974), which presently lies at the desk. This bill provided for some 20 amendments to the Manpower Development and Training Act. The House did not agree with the Senate version.

I move that the Senate ask for a conference on the disagreeing votes of the two Houses, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. CLARK, Mr. RANDOLPH, Mr. MCNAMARA, Mr. PELL, Mr. KENNEDY of Massachusetts, Mr. NELSON, Mr. PROUTY, Mr. JAVITS, and Mr. MURPHY conferees on the part of the Senate.

Mr. JORDAN of North Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the second amendment to be offered by the Senator from Georgia and the Senator from Florida.

Mr. TALMADGE. I have no objection to voting immediately on our substitute amendment. On the next amendment to be offered I desire to have a yea-and-nay vote. Am I to understand the Senator to ask unanimous consent that the yeas and nays be ordered on the next amendment to be offered?

Mr. JORDAN of North Carolina. Yes.

Mr. TALMADGE. I have no objection.

Mr. CARLSON. Mr. President, I would have to object to unanimous consent being given for a yea-and-nay vote.

Mr. TALMADGE. Mr. President, I ask that the yeas and nays be ordered on the next amendment that will be offered by the Senator from Georgia and the Senator from Florida.

The PRESIDING OFFICER. The Senator must first ask unanimous consent that it be in order to order the yeas and nays on the next amendment.

Mr. TALMADGE. I ask unanimous consent that it be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. Is the request for the yeas and nays sufficiently seconded? It is sufficiently seconded, and the yeas and nays are ordered.

Mr. TALMADGE. As I understand, the vote will now be taken on the substitute amendment of the Senator from Georgia and the Senator from Florida.

The PRESIDING OFFICER. The Senator is correct.

Mr. TALMADGE. On the next amendment to be offered, we shall have the yeas and nays.

The PRESIDING OFFICER. Yes.

The question now is on agreeing to the pending amendment offered by the Senator from Georgia and the Senator from Florida. [Putting the question.]

The nays appear to have it.

Mr. TALMADGE. I ask for a division.

On a division the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TALMADGE. Mr. President, I send to the desk an amendment offered on behalf of myself and the senior Senator from Florida [Mr. HOLLAND]. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add the following new section:

SEC. 4. Nothing in this Act shall be construed as affecting the authority or responsibility of the Secretary of Agriculture under section 301(b)(15) or section 313(i) of the Agricultural Adjustment Act of 1938 with respect to providing that different types of tobacco shall be treated as different kinds of tobacco, or with respect to increasing allotments or quotas for farms producing certain types of tobacco.

Mr. TALMADGE. Mr. President, the amendment was drafted by the attorney for the Committee on Agriculture and Forestry. It would not change the existing law in any way whatever. It does make clear, however, that the lawsuit which was filed on behalf of the farmers of Georgia and Florida, and won by those plaintiffs in the District Court for the Southern District of Georgia, which obtained a unanimous opinion in the fifth circuit court of appeals upholding the lower court decision shall prevail and that that decision be preserved.

The Senator in charge of the bill and the distinguished senior Senator from North Carolina say they have no desire to change that situation. However, the language of the bill would change the existing law, which provides:

Any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand.

Let us turn to the provisions of the bill. What do we find?

On page 2 of the bill, lines 16 to 18, read:

In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

He could get a letter from someone in Hong Kong and deem that relevant and throw out the lawsuit which our farmers have won.

I ask the Senate to deal equitably with those who have gone to court to sustain their convictions and have won a judgment. If the Senate wishes to be fair and honorable, it will sustain the amendment.

I yield 2 minutes to the distinguished Senator from Tennessee.

Mr. BASS. Mr. President, for the past 10 years that I have served in Congress I have had the opportunity of working for and voting for every tobacco program that has been passed by Congress. I realize now that the Flue-cured tobacco growers have a problem and that there is a surplus of tobacco; therefore, something must be done to relieve the situation. For that reason I shall support the pending legislation.

However, I believe that in all honesty and fairness the amendment of the Senator from Georgia should be adopted, because there is litigation now pending in the court. Suit has been filed, and the lower court has held that the petitioners in the tobacco areas of Florida, Georgia, and South Carolina were correct.

I believe that Congress should not legislate these people out of court.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

Issued April 12, 1965
For actions of April 9, 1965
89th-1st; No. 64

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HIGHLIGHTS: Senate received Appropriations Committee report on proposed closing of certain USDA research stations. Several Senators debated farm labor situation. Senate subcommittee approved northwest flood disaster relief bill. Senate passed bill to extend Reorganization Act. Sen. Mondale urged Federal aid for flood disaster relief in Minn. Sen. McNamara introduced and discussed bill to expand poverty program.

SENATE

1. EDUCATION. By a vote of 73 to 18, passed without amendment H. R. 2362, the proposed Elementary and Secondary Education Act of 1965 (pp. 7343-71, 7400-02, 7405-6, 7410-52). This bill will now be sent to the President. The bill extends for two years, until June 30, 1968, authorization for Federal assistance to schools in federally impacted areas.

2. REORGANIZATION. Passed as reported S. 1135, to extend until Dec. 31, 1968, the authority of the President to transmit reorganization plans to the Congress under the Reorganization Act of 1949. pp. 7498-9

3. MANPOWER. Received and agreed to the conference report on S. 974, to extend the Manpower Development and Training Act until June 30, 1969, and to transfer the training provisions of the Area Redevelopment Act to this Act. pp. 7402-5

4. RESEARCH. Sen. Holland submitted the report of the Appropriations Committee on the results of its investigation of the proposed elimination of certain research stations and lines of research by the Department. The report recommends that the Secretary of Agriculture establish a Research Review Committee "to examine fully each and every line of the agricultural research conducted by the Department and by the State experiment stations," and to make a report on the results of the study to the Appropriations Committee within the next 60 days. (S. Rept. 156) pp. 7452-8

5. FARM LABOR. Several Senators debated the farm labor situation and inserted items on the matter. pp. 7371-98

6. DISASTER RELIEF. The Subcommittee on Public Roads of the Public Works Committee approved for full committee consideration S. 327, to provide Federal assistance to Ore., Wash., Calif., and Idaho for reconstruction of areas damaged by recent floods (amended so as to include the text of S. 1638, to increase the limitation of emergency relief on repair of highways). p. D286

   Sen. Mondale urged Federal agencies, including this Department, to provide disaster relief assistance to Minn. as a result of recent flooding in the State. pp. 7476-7

7. WATER RESOURCES. Senate conferees were appointed on S. 21, the proposed Water Resources Planning Act (pp. 7407-10). House conferees have not yet been appointed.

8. TEXTILES. The Commerce Committee reported with amendment S. 1129, to amend the Textile Fiber Products Identification Act to permit the listing on labels of certain fibers constituting less than 5 percent of a textile fiber product (S. Rept. 161). p. 7458

9. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 2594, to clarify the application of retirement increase legislation to certain retired Federal employees (S. Rept. 158). p. 7458

10. NATIONAL PARKS. Passed as reported S. 339, to provide for the establishment of the Agate Fossil Beds National Monument, Nebr. pp. 7499-7500

11. USER CHARGES; SOIL CONSERVATION. Sen. Young, N. Dak., inserted an article critical of the proposed user charge on SCS technical assistance to farmers and ranchers. pp. 7480-1

12. CONSERVATION. Sen. McGovern inserted an address by Assistant Secretary of the Interior Holum requiring water resource development and conservation activities. pp. 7494-6

13. ADJOURNED until Tues., Apr. 13. p. 7503

improve educational quality and educational opportunities in the Nation's elementary and secondary schools.

Mr. PROUTY. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Senator's amendment is pending.

Mr. PROUTY. Mr. President, my amendment to title I, section 205(a), relates to applications for assistance by local educational agencies.

The flow of funds in title I proceeds in the following manner: The local educational agency makes an application for aid to the State educational agency. The State agency sets the local application alongside eight criteria specified by section 205(a). Briefly, these criteria are:

First. That projects are aimed at educationally deprived children, and are of sufficient size, scope, and quality to promise results.

Second. That non-public-school children shall have the chance to participate.

Third. That administration of funds will be in public hands.

Fourth. That State and Federal construction policies will be observed.

Fifth. That methods of measuring the progress of educationally deprived children will be employed.

Sixth. That an annual report will be submitted.

Seventh. That coordination will be maintained with local community action programs under the antipoverty act.

Eighth. That the results of educational research will be made available to teachers and administrators.

The State educational agency, however, is required to make this determination "consistent with such basic criteria as the Commissioner may establish." Now the question was quite properly raised early in the history of the bill, "What does this power of establishing basic criteria mean?"

When the hearings on this bill began in the Senate, I submitted a set of questions in writing to the Secretary of Health, Education, and Welfare. Among those questions, which appear at page 1183 of the hearings, was the following:

> 19. Does the clause "consistent with such basic criteria as the Commissioner may establish" in section 205(a), introduce an element of Federal control into local school board activities?

I quote in full the reply of Secretary Celebrezze:

> 19. The clause, "in connection with such basic criteria as the Commissioner may establish," in section 205, does not introduce an element of Federal control into local school board activities. Section 604 of S. 370 a section which bears the same number in the bill now before us specifically prohibits such Federal control. The basic criteria provision is primarily designed to allow the Commissioner to prohibit certain types of activities which are not consistent with the intent of title I and to make the necessary basic definitions of terms in the act so that there may be some degree of uniformity in its application among States.

Now, this answer tells us several things, in addition to reiterating the boiler plate disclaimer of Federal controls.

First, it tells us that the first purpose of the language is to permit the Commissioner to prohibit certain types of activities presumably at the local level—which are not, in his opinion, consistent with the intent of title I.

Second, it tells us that the second purpose of the language is to enable the Commissioner to make the needed definitions of the words contained in the eight criteria written into the act itself.

Third, it tells us that there are the purposes for which the "basic criteria" clause is primarily designed. It thus suggests that there may be other secondary purposes of the language which the Secretary has not chosen to make known to us.

I will have occasion to return to these points later. But, now let us look at the debate of the other body on this point.

In the House Education Subcommittee, the ranking Republican, Congressman GOODELL, of New York, engaged in a colloquy with Secretary Celebrezze. In it he expressed the fears of a great many of us when he made the following statement, at page 147:

> I have read and reread in every single education measure that comes up here this nice high sounding sweet little paragraph that there will be no control. Then you go right into the center of this bill where the power is, and it is right on page 8. The Commissioner sets the basic criteria for every State plan. The State gets the money only if they have a plan that meets the Commissioner's basic criteria. It described the criteria in some detail and your regulations will end up being written so they go the way the Federal Government wants them to go. You can say it is not control, but they are telling them exactly how to go about it.

I think Mr. GOODELL here came to grips with the focal point of Federal power and control in this bill, and it is instructive to see what replies were made by the administration.

First, the administration vehemently denies that there is any Federal control in this bill, and cites section 604 to prove their point—as if saying it enough times made it true.

Second, the administration argues that this bill does not impose anything on the States. In Secretary Celebrezze's words, "They can participate in a program or they don't have to." It should be pointed out, however, that the taxpayers of States that choose not to participate will still pay the bills. Like all Federal grant programs, especially where no State matching funds are involved, there is no real choice of participating or not participating. The choice is only between losing all the tax money that went to Washington to pay for the program, or getting back what portion of it you can by going along with Federal requirements.

Third, and more relevant to the present discussion, the administration took a new tack on its interpretation of the purpose of the "basic criteria" clause. This was stated most concisely by Dr. Wilbur Cohen, Assistant Secretary of Health, Education, and Welfare, at page 177 of the House hearings:

> "Basic criteria" doesn't mean here that the Commissioner may establish, just out of the blue, elements that he thinks the States have to comply with. "Basic criteria" here means definitions and explanations or guidelines, whatever you want to call them, of the terms and conditions that are specified here.

The same view is expressed by the Department of Health, Education, and Welfare in the letter appearing on page 9 of the committee report.

It is worth while to compare the position taken by Dr. Cohen—with Secretary Celebrezze and Commissioner Keppel at his side—with the earlier statement by the Department. In the first statement, emphasis was placed on the Commissioner's power to prohibit certain activities inconsistent, in his opinion, with the intent of title I. Clarifying the words used in the eight specific criteria occupied a secondary role as a purpose of the basic criteria clause. The word "primarily" gave the impression that the Department might have some unspoken additions to the functions of that clause.

But then, in Dr. Cohen's brief and lucid statement, what was previously the secondary objective—clarification—becomes the sole objective. Gone from his remarks is any reference to the Commissioner's power to prohibit activities inconsistent with the intent of the title, as viewed by the Commissioner.

Mr. President, I can only conclude that rumblings from the Congress forced the Department of Health, Education, and Welfare to retreat from its earlier frank admission that this basic criteria clause is a lever that the Commissioner can use to veto certain programs he finds incompatible with his interpretation of the intent of the title.

We have often heard that the road to hell is paved with good intentions. While not intending to draw the analogy too closely, I suggest the road to the Great Society may be paved by the same contractors. It is all too easy for administrators who are fighting for a new program to give solemn assurances that language in their bill will be given the narrowest and most restrictive meaning. But when the shouting is over and the bill becomes law the bureaucrats, subject only to the most general supervision by Congress, will run things the way they want to. I suggest that we are seeing here a tactical retreat from an overly candid position. I think that after this bill is passed, the original interpretation placed on this basic criteria language may well take precedence over this later and more sober view.

Further light on the intent of the Department in administering this clause, and the understanding of it by the bill's sponsors, is revealed by a colloquy between Congressman GOODELL and Commissioner Keppel near the end of the House hearings, when the Commissioner was recalled to the stand to clear up points raised in the public testimony. After a lengthy discussion of this point, beginning on page 1734, Mr. GOODELL posed this question:

> As a matter of legislative history, are you saying, then, that if you as Commissioner find the State educational agency's determination is inconsistent with your basic criteria you don't have the authority to withhold the funds?

Commissioner Keppel never had a chance to reply. Congressman PERKINS, sponsor of the bill and chairman of the subcommittee broke in instantly to say

"Wait, now; he didn't say that." Then Congressman PERKINS went on to say that it was clear to him that if the State educational agency ignored the guidelines established by the Commissioner under the basic criteria clause, the Commissioner certainly would have the power to withhold the money. Let us be clear about it. This is not the tuning knob. This is the on-off switch.

I should like to make one last point before proceeding to a vote on my amendment. The question arises as to the nature of the eight criteria spelled out in section 205(a), paragraphs 1 to 8. Are these also "basic criteria"? Or are they some other kind of criteria?

The point is important for this reason. The language of the bill authorizes the Commissioner to establish basic criteria. If these eight paragraphs represent "basic criteria," the bill is giving the Commissioner authority to establish a new set of criteria as broad and far reaching as those spelled out by Congress in the bill. In other words, Congress would be listing eight requirements and delegating its complete authority to the Commissioner to formulate and establish however many more requirements the Commissioner thought would be useful. Should this be the correct interpretation, I fear this might not only be an unwise, but also an unconstitutional delegation of power to an executive officer, of the kind that was struck down by the Supreme Court years ago in the Blue Eagle case.

As I see it, legislative history on this point is not clear. In the House hearings Congressman GOODELL stated—erroneously in my opinion—in the course of a question that "on page 8 the basic criteria are described in broad terms," citing the first of the eight paragraphs of section 205(a). In replying to the question, Secretary Celebrezze gave no indication that he viewed those eight paragraphs as other than "basic criteria."

I do not believe for an instant that this exchange was a subtle trap into which the Secretary unwittingly fell. But I do believe that if this amendment fails, the legislative history of this bill should state clearly that the Senate understand that:

First. The eight paragraphs of section 205(a) are not examples of basic criteria, as that term is used in that subsection.

Second. The basic criteria referred to are only fundamental definitions of terms used in the subsequent eight paragraphs.

Third. There is no purpose to the basic criteria clause other than to enable the Commissioner to make these definitions; that is, that the term "primarily" used in the Secretary's answer to me is devoid of meaning.

Fourth. The basic criteria clause does not give the Commissioner independent authority to set forth additional criteria by which the school district or State must abide, or by which the Commissioner might cut off payments.

The actual language of my amendment is very simple. It would strike out the words "consistent with such basic criteria as the Commissioner may establish." In their place a new subsection would be added to section 205 which would read:

> The Commissioner shall formulate and make available interpretive guidelines for the suggested use of State educational agencies in making determinations under subsection 205(a).

This amendment would be a powerful safeguard against insiduous Federal controls on the local educational process—controls nonetheless real for all the solemn assurances that they are not.

Mr. President, I believe that this represents a compromise with an amendment which I offered in committee, and I believe that it can be justified.

I hope that my amendment will be approved.

Mr. LAUSCHE. Mr. President, will the Senator from Vermont yield for a question?

Mr. PROUTY. I am glad to yield.

Mr. LAUSCHE. Is it the purpose of the Senator from Vermont to have an amendment adopted which will require the Secretary of Health, Education, and Welfare to establish criteria which will definitely guide the State agency to process the applications?

Mr. PROUTY. If the Senator will look on page 11, he will see that the eight definite criteria are spelled out.

At the top of page 11, on the first line I read the words "(consistent with such basic criteria as the Commissioner may establish)."

It seems to me that the language gives the Commissioner authority to go far beyond the eight criteria which are established in the bill.

My amendment provides that the Commissioner shall establish guidelines in order that the eight criteria may be carried out, but that he will not have authority to establish a completely new set of criteria which do not appear in the language of the bill.

Mr. LAUSCHE. Mr. President, I read from section 205(a) as follows:

> A local educational agency may receive a basic grant or a special incentive grant under this title for any fiscal year only upon application therefor approved by the appropriate State educational agency, upon its determination—

Then follows the language the Senator has read—

> (consistent with such basic criteria as the Commissioner may establish).

Is it the fear of the Senator from Vermont that the words contained in parentheses may grant to the Commissioner greater authority than is intended?

Mr. PROUTY. Spelled out or intended; yes.

Mr. LAUSCHE. The Senator from Vermont wishes to remove that ambiguity and to make it clear that it is not intended to give him added authority; is that correct?

Mr. PROUTY. Yes.

Mr. LAUSCHE. No more authority than is contained in the bill.

Mr. PROUTY. The Senator is correct. In committee I offered an amendment to strike out the words "(consistent with such basic criteria as the Commissioner may establish)."

That amendment was voted down in committee.

Mr. LAUSCHE. What are the criteria that the Commissioner is directed definitely to establish? Are they the eight criteria?

Mr. PROUTY. No. Congress defines the eight criteria which appear in the bill.

Mr. LAUSCHE. If those are the criteria upon which he may act, and is required to establish, it is the position of the Senator from Vermont that the bill ought to be clear, that those are the criteria, and that he shall not establish any additional criteria. Is that correct?

Mr. PROUTY. That is exactly the way I feel. I might point out that on the House side, in answer to a question concerning this language, the Department submitted a 35-page memorandum explaining why it was necessary to have the words "consistent with such basic criteria as the Commissioner may establish" in the bill.

I have not had an opportunity to read that memorandum. However, it seems to me that when we set up eight criteria we should also give the Commissioner the right to suggest certain guidelines to the States.

Mr. LAUSCHE. Am I correct in saying that if the eight criteria specifically outline what the Commissioner may do, it would be better to say "the appropriate State educational agency, upon its determination, consistent with the eight paragraphs heretofore set forth"? That is the effect of what the Senator is attempting to accomplish, is it not?

Mr. PROUTY. That is exactly it.

Mr. LAUSCHE. The language in parentheses carries the implication that he may go beyond that.

Mr. PROUTY. Yes.

Mr. MORSE. Mr. President, may I ask my friend from Vermont whether he will desire a yea and nay vote on the amendment?

Mr. PROUTY. I think it is important enough to have a yea and nay vote on it.

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered.

MANPOWER ACT OF 1965—CONFERENCE REPORT

Mr. CLARK. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and

agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Manpower Act of 1965.'

"SEC. 2. Section 101 of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the 'Act'), is amended by inserting before the last sentence thereof the following new sentence: 'The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions, where such training would further the purposes of this Act.'

"SEC. 3. (a) Section 102(5) of the Act is amended by adding a comma after the word 'arrange' and inserting 'through grants or contracts,' immediately following the comma.

"(b) Section 102 of the Act is further amended by striking out 'and' at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period '; and', and by adding at the end of such section the following new paragraph:

"'(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act.'

"SEC. 4. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"'JOB DEVELOPMENT PROGRAMS

"'SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"'LABOR MOBILITY DEMONSTRATION PROJECTS

"'SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"'(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"'(1) there is reasonable assurance of repayment of the loan;

"'(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"'(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"'(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"'(5) the loan is repayable within not more than 10 years.

"'(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"'TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"'SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.'

"(b) Section 102(2) of the Act is amended by striking out '104' and inserting in lieu thereof '107'.

"SEC. 5. Section 202(i) of the Act is amended by striking out ', and such persons shall be eligible for training allowances for not to exceed an adidtional twenty weeks.'

"SEC. 6. (a) Section 203(a) of the Act is amended as follows:

"(1) Amend the second sentence thereof to read as follows: 'Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.';

"(2) Amend the second paragraph thereof to read as follows:

"'With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.';

"(3) Insert the words 'under the training program' after 'compensated hours per week' in the third paragraph of such subsection;

"(4) In lieu of the fourth paragraps of such subsection insert the following:

"'The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.'

"(b) (1) Section 203(b) of the Act is amended by striking out the matter following 'to defray transportation' and preceding 'Provided', and by inserting in lieu of such matter the following: 'expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:'.

"(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ', except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe'.

"(c) Section 203(c) of the Act is amended as follows:

"(1) Strike the words 'not less than' in the first sentence and insert 'at least' in lieu thereof;

"(2) Strike out everything in the first sentence after the words 'gainful employment', and insert the following in lieu thereof: ': *Provided,* That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further,* That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of

qualifying such member for training allowances under this section.';

"(3) Amend the last sentence to read as follows: 'The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training.'

"(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such section are redesignated as (d), (e), (f), (g), (h), and (i), respectively.

"(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

"SEC. 7. Section 208 of the Act is repealed.

"SEC. 8. Section 231 of the Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: 'Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided,* That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.'

"SEC. 9. (a) Title II of the Act is amended by adding part C to the end thereof to read as follows:

"'PART C—REDEVELOPMENT AREAS

"'SEC. 241. The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"'(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"'(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"'(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"'(4) no funds available under this section shall be apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required.'

"(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the effective date of the repeal of such sections.

"(c) This section and the amendments made by it shall take effect on July 1, 1965.

"SEC. 10. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso: '*Provided,* That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'

"SEC. 11. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946,".

"SEC. 12. Section 304 of the Act is amended to read as follows:

"'APPROPRIATIONS AUTHORIZED

"'SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"'(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.'

"SEC. 13. The following subsection is added to section 305 of the Act to read as follows:

"'(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided,* That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965.'

"SEC. 14. Subsection (a) of section 306 of the Act is amended by inserting after 'procedures,' the following 'including (subject to such policies, rules, and regulations as they may prescribe) the approval of any program under section 202, the cost of which does not exceed $75,000,'.

"SEC. 15. Sections 309(a) and 309(b) of the Act are both amended by striking 'Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966' and inserting in lieu thereof: 'Prior to April 1 in each year'.

"SEC. 16. Section 310 of the Act is amended by striking out '1966' wherever it appears and inserting in lieu thereof '1969' ".

And the House agree to the same.

JOSEPH S. CLARK,
JENNINGS RANDOLPH,
PAT MCNAMARA,
CLAIBORNE PELL,
EDWARD M. KENNEDY,
GAYLORD NELSON,
WINSTON L. PROUTY,
JACOB K. JAVITS,
GEORGE MURPHY,
Managers on the Part of the Senate.

ADAM C. POWELL,
JAMES G. O'HARA,
DOMINICK V. DANIELS,
ROMAN C. PUCINSKI,
SAM M. GIBBONS,
WILLIAM D. HATHAWAY,
WILLIAM H. AYRES,
JOHN M. ASHBROOK,
ALBERT H. QUIE,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CLARK. I ask unanimous consent that a floor memorandum outlining the resolution of the nine substantive differences between the two versions of S. 974 may be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

FLOOR MEMORANDUM

There were nine substantive differences between the versions of S. 974 as it passed the Senate and House of Representatives. The House conferees accepted five of the Senate's amendments to the act with two language changes. The Senate amendments to which the House receded were as follows:

1. An additional finding of Congress that there is a need for brief refresher and reorientation training courses for unemployed professional workers.

2. Authorization permitting the Secretary of Labor to pay when necessary training allowances to a trainee family member where the head of the family is employed, and

Disqualification of training allowances for any trainee whose family head terminates his own employment to qualify his dependent for training allowances.

3. Authorization for continued payments of training allowances to youths who become 22 years old if they have substantially completed their training.

4. Guidelines for the States to follow in determining whether to conduct training in private institutions.

5. Specific authorization figures for fiscal year 1966.

The Senate accepted a House amendment permitting the Secretary of Labor to exceed

the 10-cent-a-mile limit on transportation expenses paid to trainees where the most economical mode of local public transportation costs more than 10 cents per mile.

The Senate receded from one minor difference in the State matching provisions of the act. The Senate version permitted full Federal financing of training programs in any State without constitutional authority to contribute to adult, noncollegiate, public education.

A compromise was reached with respect to the effective date for repeal of the present training provisions of the Area Redevelopment Act and for the substitution of the new redevelopment area training provisions of the Manpower Development and Training Act. The Senate accepted the House version which made these provisions effective as of July 1, 1965. In addition, the saving clause contained in the Senate version of S. 974 was accepted by the House.

With respect to the differing termination dates of title II of the Manpower Development and Training Act, the Senate version extended the act to June 30, 1970, while the House version contained an extension until June 30, 1968. The conference committee agreed to a termination date of June 30, 1969.

Mr. McNAMARA. Mr. President, I should like to make some legislative history on this subject. I should like to pose a question to the Senator from Pennsylvania.

As I understand, the basic objective of the Manpower Development and Training Act is the reduction of hard-core unemployment, unemployment which results from the fact that the potential employee lacks the skills essential to performance in an existing job vacancy. The bill was designed for situations where there is a demand for labor, but in which prior training or a specific skill is a substantial prerequisite for employment in the given job.

Mr. CLARK. The Senator is correct.

Mr. McNAMARA. It is not intended to cover industries, such as the garment and apparel industry, where minimal training is needed, where traditionally the employer has provided the necessary on-the-job training, and where there exist a substantial number of experienced and able workers who are presently unemployed. As I understand it, we do not intend to give a competitive advantage to one employer over another by having the Manpower Development and Training Act pay costs which usually and traditionally the employer has assumed, nor do we intend hereby merely to transfer unemployment from one area to another. We do not expect use of the Manpower Development and Training Act training programs in highly mobile, highly competitive industries where minimal employee training is needed and now is undertaken by the employer. I feel that Manpower Development and Training Act assistance in such cases would only add to industrial dislocation. It would be a waste of manpower resources, and in the long run would serve only to discredit the Manpower Development and Training Act and detract from its value.

Mr. CLARK. The Senator from Michigan has correctly stated my understanding of the congressional intent.

However, I would like to point out, Mr. President, that a question arose in conference committee with regard to the language on page 22 of the House committee report with respect to safeguarding against Manpower Development and Training Act substitution for private training efforts. It was agreed by the conference committee that the language used in the House report refers to the institution of Manpower Development and Training Act programs in unskilled or minimally skilled occupations for which prior training or possession of a specific skill has not traditionally been a prerequisite to employment. It is the belief of the committee that Manpower Development and Training Act training in such situations would substitute for threshold training normally undertaken at the expense of the employer and would not add to achieving the manpower goals which are the objectives of the Manpower Development and Training Act. The committee did not intend to imply that Manpower Developement and Training Act programs would not be available for training persons in technical and skilled occupations in the garment industry or any other industry for which prior training or the possession of specific skills has traditionally been a prerequisite to employment. For example, it might be appropriate, under the proper circumstances, for Manpower Development and Training Act training to be utilized to provide skilled personnel for employment in repairing, adjusting, maintaining, and rebuilding machinery used in the apparel industry.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 2362) to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. PROUTY].

Mr. MORSE. Mr. President, I rise to oppose the amendment offered by my good friend from Vermont. I wish to say, however, before I set forth my reasons in opposition, that I believe on this subject matter the Senator from Vermont has been very helpful. In committee, it is true, he raised these points, and it is true, from what he said, that he is still not satisfied. However, I wish only to say that I believe he has been very helpful.

H.R. 2362 in its present form, coupled with the committee report, to which I shall refer momentarily, gives us a good bill on this subject matter, and we should not in any way change this part of the bill at this time.

However, as I have been heard to say so many times, if some changes are necessary after a year's experience under it, we can make them when we come to Congress for the authorizations next year. However, the Senator from Vermont has created a situation, so far as the chairman of the subcommittee is concerned, such that my eyes will be on that problem all next year. I have no concern about what the Commissioner will do on the basis of the record made in committee and on the basis of the record the Senator from Vermont has made this afternoon on the floor of the Senate.

I do not believe there is any cause for concern that the Commissioner will do anything which is not completely consistent with what we made very clear. Certainly he will lay down some criteria, but I do not believe there is any basis for fear that the Commissioner will exceed his authority, so as to result in any Federal interference in the educational processes at the local level. My reasons for objecting to the amendment are as follows:

As interpreted in the report of the committee and by the Department of Health, Education, and Welfare, the authority given the Commissioner to establish "basic criteria" to assist State educational agencies in reviewing the applications of local educational agencies under section 205(a) of title I is carefully limited to its proper sphere: that of defining and clarifying the requirements of section 205(a) for the purposes of assisting State and local educational agencies in carrying out title I and for assuring a reasonably uniform application of its provisions throughout the Nation.

If that policy is not followed, the administration of the program could become a helter-skelter hodge-podge. All kinds of varied interpretations of permissible programs could be offered. The purpose of the criteria, at least, is to keep within what we consider to be a reasonable framework in order to carry out the objectives of the title.

The limitations placed on this power of the Commissioner are greater and more appropriate in several respects than those contained, I respectfully submit, in the proposed amendment of the Senator from Vermont:

First. The committee report states very clearly that the Commissioner has no authority to establish requirements beyond those specifically stated in paragraphs 1 through 8 of section 205(a). He is limited to those requirements. The proposed amendment carries no such limitation.

Second, the committee report makes it crystal clear that the basic criteria established by the Commissioner must be set out in regulations. The proposed amendment would place no limitation on the manner in which the Commissioner could promulgate his guidelines.

Third. The committee report makes it very clear that the Commissioner is to define and clarify the requirements of section 205(a) for the purpose of assuring a reasonably uniform application of its provisions throughout the Nation. The proposed amendment would limit the authority of the Commissioner to the establishment of guidelines for "the suggested use" only of State educational agencies in making determinations under section 205(a). The result of this amendment would undoubtedly be a different

interpretation of section 205(a) in each of the States and outlying territories.

Mr. President, I ask Senators to turn to page 9 of the report. On page 9 we cover the problem very well. As I have said, the Senator from Vermont had much to do, in my opinion, with getting the information from the Department that made it possible for us to write the following language into the report:

In this connection, the committee has been advised by the Department of Health, Education, and Welfare, as follows—

I now read from the memorandum of the Department, which is found on page 9, which in large part, resulted from the work of the Senator from Vermont and, as I recall it, both the Senator from New York [Mr. JAVITS] and the Senator from Colorado [Mr. DOMINICK], who raised the problem in the committee. It reads as follows:

The authority given the Commissioner in subsection (a) of section 205 to establish "basic criteria" does not, of course, authorize him to establish requirements beyond those specifically stated in paragraphs (1) through (8) of that subsection. Instead, these "basic criteria" will be set out in regulations of the Commissioner and will define and clarify the requirements of section 205(a) for the purpose of assisting State and local educational agencies in carrying out title I and of assuring a reasonably uniform application of its provisions throughout the Nation.

The following are examples of concepts in section 205(a) which will require more specific delineation in the light of the purposes of title I and its legislative history: "special educational needs," "educationally deprived children," special educational services and arrangements "in which (children enrolled in private elementary and secondary schools) can participate," and "appropriate objective measurements of educational achievement."

The Department has committed itself to those policies. One further point should be stressed. The Subcommittee on Education will not go into hibernation between now and the authorization date next year. If any indication is given to me as chairman of the subcommittee that the Commissioner—and it is unthinkable to think that he would—would go beyond the restrictions which the language of the bill and the memorandum imposes upon him, the chairman of the subcommittee will ask the subcommittee to go into action on the question.

Mr. President, I urge that the amendment be rejected.

Mr. LAUSCHE. Mr. President, I should like to ask one question of the Senator from Oregon. If the description given by the Secretary of Health, Education, and Welfare, as read by the Senator from Oregon, is correct, that is, that he will establish guidelines only as directed by the paragraphs marked in the numerals 1 to 8, why was it necessary to put in parenthesis the words "on line 1, page 11"? If the words in parenthesis are omitted, then it is really clear that the paragraphs marked by the numerals 1 to 8 are the utmost limit to which the Secretary may go.

Mr. MORSE. They need not be eliminated now that the legislative history and the memorandum of the Department make perfectly clear that he will be so limited. So in my judgment—and I say most respectfully—the Senator is engaging in somewhat of a needless gesture to eliminate punctuation that we need not eliminate. The meaning of the language in point has already been made clear by the legislative history, by the committee report, and by a memorandum from the Department itself.

Mr. LAUSCHE. I concede that the Secretary of Health, Education, and Welfare attempted to point out that he will conform only to the criteria contained in the eight paragraphs identified by the numerals. The amendment of the Senator from Vermont would make clear the language—"upon its determination that—paragraphs 1, 2, 3, 4, 5, 6, 7, 8."

Mr. MORSE. There is one point that my friend has overlooked. That is the meaning of the word "its" in the language which he has read. The word "its" refers to the State agency.

Mr. LAUSCHE. That is correct.

Mr. MORSE. If it refers to the State agency, the Senator need not worry about the language.

Mr. LAUSCHE. That is, its determination of what the Secretary of Health, Education, and Welfare shall establish as the guidelines in conformity with the direction in the eight separate paragraphs.

Mr. MORSE. His job is related to guidelines, and not to criteria. The criteria are already set out in the eight paragraphs.

Mr. LAUSCHE. In the letter sent by the Secretary of Health, Education, and Welfare the Secretary has committed himself to do the things that are outlined in the eight paragraphs.

Mr. MORSE. Not only that, but I assure the Senator that we will hold his nose to that grindstone, too.

Mr. LAUSCHE. There is only one weakness. We are trying to achieve by legislative history that which the Senator from Vermont wishes to do by direct wording of the bill itself, and it is for that reason that I shall support the amendment of the Senator from Vermont.

Mr. MORSE. The objective of the Senator has been accomplished. I have no more to say on the subject.

Mr. PROUTY. Mr. President, I point out that the chairman is now taking a position which is completely in conformity with the amendment that I am suggesting. Prior to that, however, he did not, and that was the reason for the amendment. That is why I believe the amendment should be adopted. I say respectfully to my good friend the Senator from Oregon, that the amendment is one that we could adopt and upon which we would not even need a conference. A conference would last 5 minutes, and no longer. I do not think it would be controversial to the extent that it would endanger the passage of the proposed legislation in any way, shape, or manner.

Mr. MORSE. I rest my case.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Missouri [Mr. SYMINGTON] are absent because of illness.

I further announce that the Senator from Georgia [Mr. RUSSELL] is necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

The result was announced—yeas 32, nays 60, as follows:

[No. 54 Leg.]

YEAS—32

Aiken	Fong	Pearson
Allott	Hickenlooper	Prouty
Bennett	Holland	Saltonstall
Boggs	Hruska	Scott
Carlson	Javits	Simpson
Cotton	Jordan, Idaho	Stennis
Curtis	Lausche	Thurmond
Dirksen	Miller	Tower
Dominick	Morton	Williams, Del.
Eastland	Mundt	Young, N. Dak.
Fannin	Murphy	

NAYS—60

Anderson	Hart	Mondale
Bartlett	Hayden	Monroney
Bass	Hill	Montoya
Bayh	Inouye	Morse
Bible	Jackson	Moss
Brewster	Jordan, N.C.	Muskie
Burdick	Kennedy, Mass.	Nelson
Byrd, W. Va.	Kennedy, N.Y.	Pastore
Cannon	Kuchel	Pell
Case	Long, Mo.	Proxmire
Church	Long, La.	Randolph
Clark	Magnuson	Ribicoff
Cooper	Mansfield	Smathers
Douglas	McCarthy	Smith
Ellender	McClellan	Sparkman
Ervin	McGee	Talmadge
Fulbright	McGovern	Tydings
Gore	McIntyre	Williams, N.J.
Gruening	McNamara	Yarborough
Harris	Metcalf	Young, Ohio

NOT VOTING—8

Byrd, Va.	Johnston	Russell
Dodd	Neuberger	Symington
Hartke	Robertson	

So Mr. PROUTY's amendment was rejected.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from New Mexico [Mr. ANDERSON] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

Issued April 13, 1965
For actions of April 12, 1965
89th-1st; No. 65

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HIGHLIGHTS: House received GAO report of FCIC. Rep. Evins inserted Tenn. Legislature resolution opposing reductions in SCS appropriations.

HOUSE

1. MANPOWER. Received the conference report on S. 974, to extend the Manpower Development and Training Act until June 30, 1969, and to transfer the training provisions of the Area Redevelopment Act to this Act (H. Rept. 231)(pp. 7512-5). This report has already been agreed to by the Senate.

2. NATIONAL PARKS. The Interior and Insular Affairs Committee reported with amendment H. R. 500, to provide for the establishment of the Agate Fossil Beds National Monument, Nebr. (H. Rept. 232). p. 7533

3. CROP INSURANCE. Received from GAO a report of the examination of financial statements for fiscal year 1964 of the Federal Crop Insurance Corporation (H. Doc. 141). p. 7532

4. FARM LABOR. Rep. Hutchinson commended the announcement that the Department of Labor has arranged for the importation of 500 farmworkers from Puerto Rico to harvest the pickle crop in Mich. p. 7519

5. INFORMATION. Received from the President the report of the U. S. Advisory Commission on Information (H. Doc. 140). p. 7532

6. POVERTY. Received from the Office of Economic Opportunity a proposed bill "to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964"; to Education and Labor Committee. p. 7532

7. MARKETING. Received a Colo. Legislature resolution urging enactment of legislation "prohibiting restraint of trade practices by chain stores." p. 7533

8. WATERSHEDS. Received a Wash. Legislature resolution favoring amendment of the Watershed Protection and Flood Prevention Act by increasing the flood-water detention capacity in any single structure from 5,000 acre-feet to 12,500 acre-feet. p. 7534

9. FOREIGN TRADE. Rep. Cunningham inserted an American Legion magazine article concerning "a plan now pending in the United Nations for redistributing the world's trade and industry - at our expense," and including a reference to foreign trade in agricultural commodities. pp. 7516-9

ITEMS IN APPENDIX

10. INFORMATION. Extension of remarks of Rep. Karth stating that "the programming of information storage and retrieval systems for Government and industry has become an increasingly significant function of the microfilm industry" and commending the opening of a microfilm systems development laboratory in Washington. p. A1762

11. FARM LABOR. Extension of remarks of Rep. Hutchinson describing how fruit and vegetable growers in Mich. have organized a committee to aid in the solution of problems attending migrant agricultural workers. pp. A1762-3

12. LIBRARIES. Extension of remarks of Rep. Colmer stating "this Nation is now more library conscious than at any time in the history of the Republic", and inserting an article, "An Important Milestone." pp. A1763-4

13. POVERTY. Rep. Griffiths inserted part 3 of a series on poverty, "Million Youths Mirrored in First Job Corps Recruits." pp. A1764-5

14. SMALL BUSINESS. Rep. Evins inserted a letter and article urging continued independence of the Small business Admin. p. A1765

15. EDUCATION. Extension of remarks of Rep. Donohue expressing approval of the elementary and secondary school bill and setting forth provisions of the bill. p. A1767

16. SOIL CONSERVATION. Rep. Evins inserted a Tenn. Legislature resolution opposing reductions in Soil Conservation Service appropriations. pp. A1773-4

17. NATURAL RESOURCES. Speech in the House by Rep. Ullman expressing admiration for Sen. Anderson's "outstanding record" as a great leader in the American conservation movement. p. A1781

89TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 231

USDA
National Agricultural
Library
LEGISLATIVE REPORTING

MANPOWER ACT OF 1965

APRIL 12, 1965.—Ordered to be printed

Mr. POWELL, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 974]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Manpower Act of 1965".*

SEC. 2. Section 101 of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by inserting before the last sentence thereof the following new sentence: "The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions, where such training would further the purposes of this Act."

SEC. 3. (a) Section 102(5) of the Act is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

> *"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with*

other private organizations, or the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act."

SEC. 4. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any,

toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been ound by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

(b) Section 102(2) of the Act is amended by striking out "104" and inserting in lieu thereof "107".

SEC. 5. Section 202(i) of the Act is amended by striking out ", and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks".

SEC. 6. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: Provided, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: Provided further, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.";

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week."

(b)(1) Section 203(b) of the Act is amended by striking out the matter following "to defray transportation" and preceding "Provided", and by inserting in lieu of such matter the following: "expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:".

(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ", except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe".

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" in the first sentence and insert "at least" in lieu thereof;

(2) Strike out everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: ": Provided, That he shall not pay training allowances to members of a family or a houshold in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: Provided further, That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section.";

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training."

(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such section are redesignated as (d), (e), (f), (g), (h), and (i), respectively.

(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

SEC. 7. Section 208 of the Act is repealed.

SEC. 8. Section 231 of the Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: Provided, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. (a) Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—REDEVELOPMENT AREAS

"SEC. 241. The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: Provided, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and

regulations as may be necessary to carry out the purposes of this section; and

"(4) no funds available under this section shall be apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required."

(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the effective date of the repeal of such sections.

(c) This section and the amendments made by it shall take effect on July 1, 1965.

Sec. 10. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso: "Provided, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year."

Sec. 11. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946,".

Sec. 12. Section 304 of the Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary."

Sec. 13. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: Provided, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965."

Sec. 14. Subsection (a) of section 306 of the Act is amended by inserting after "procedures," the following: "including (subject to such policies, rules, and regulations as they may prescribe) the approval of any program under section 202, the cost of which does not exceed $75,000,".

Sec. 15. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year".

Sec. 16. Section 310 of the Act is amended by striking out "1966" wherever it appears and inserting in lieu thereof "1969".

And the House agree to the same.

Adam C. Powell,
James G. O'Hara,
Dominick V. Daniels,
Roman C. Pucinski,
Sam M. Gibbons,
William D. Hathaway,
William H. Ayres,
John M. Ashbrook,
Albert H. Quie,
Managers on the Part of the House.

Joseph S. Clark,
Jennings Randolph,
Pat McNamara,
Claiborne Pell,
Edward Kennedy,
Gaylord Nelson,
Winston L. Prouty,
J. K. Javits,
George L. Murphy,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a new text. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment.

The differences between the House amendment and the substitute agreed upon in conference are described in this statement, except for incidental, minor, technical, and clarifying changes. References to the "Act" are to the Manpower Development and Training Act of 1962.

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT AND UTILIZATION

The House amendment omitted section 2 of the Senate bill which amended section 101 of the Act to make an explicit finding of Congress that many professional employees, who have become unemployed because of changes in national defense and other industrial activities, are in need of refresher or reorientation training. Section 2 of the conference substitute contains a statement on this point, but in different form from the Senate version. The substitute leaves out the specific reference to defense and industrial activities, and states that Congress finds that "many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions where such training would further the purposes of this Act." In adopting this substitute, the conferees are not implying that it would be appropriate under this Act to give professional training to an individual to enable him to qualify initially for a professional career. Their intention is only to make clear that the Act should not be so narrowly interpreted as to exclude any provision of limited refresher or reorientation training to professionals who may require such training in order to escape unemployment as a result of obsolescence of their particular specialized skills.

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

The House amendment contains a provision amending section 203(b) of the Act so as to authorize full payment of a trainee's local

transportation costs, by the most economical mode of public transportation. The Senate bill limited such payment to a maximum of 10 cents per mile. The conference substitute contains the House provision, since it was agreed that a trainee's cost of local transportation between his residence and the training site, by the most economical public transportation available, should be paid for, even though in some cases such cost might exceed 10 cents per mile.

The House amendment omitted provisions in the Senate bill which amended section 203(c) of the Act so as to (1) authorize payment of training allowances to members of a family or household whose head is employed, if the Secretary of Labor determines such payments are necessary in order for the trainees to undertake or continue training, and (2) deny payment of training allowances to any member of a family or household whose head has been found to have terminated his own employment for the purpose of enabling such member to qualify for an allowance. Section 6(c)(1) of the conference substitute adopts these provisions of the Senate bill. However, the conferees expect that restraint will be exercised by the Secretary, in using his new authority to grant allowances to members of a family or household whose head is employed. Such allowances should be granted only if the family or household head's employment does not provide sufficient income to support the trainee through his period of training. Under the provision adopted in conference, an allowance may be authorized for a member of a family or household with an employed head only if such allowance is "necessary" to permit the trainee to undertake or continue training.

The House amendment omitted a provision of the Senate bill which amended section 203(c) of the Act to authorize continued payments of training allowances to a trainee who becomes 22 years of age during the course of training, provided that he has completed by then a substantial part of his prescribed course. Section 6(c)(3) of the conference substitute adopts this Senate provision. The purpose of the provision is to make it unnecessary to cut off the allowance of a trainee, who is receiving the weekly allowance of up to $20 paid to youths enrolled in special youth programs, when he reached his 22d birthday. Trainees who continue to receive youth allowances under section 202(b) training programs after reaching age 22 will continue to be considered as youth receiving training allowances for the purpose of observing the limitation in section 203(c) that not more than 25 percent of persons receiving training allowances shall be youths.

The Act presently permits State agencies to provide training through private institutions if it can be provided at reduced Federal expenditure. The Senate bill amended this provision to authorize training where private institutions could provide substantially equivalent training at comparable Federal expenditure, or provide equipment or services not available in public institutions, or make possible an expanded use of the individual referral method, or aid in reducing more quickly unemployment or current and prospective manpower shortages. Section 8 of the conference substitute adopts this Senate provision, but in a substantively reworded form, which authorizes training through private institutions where they can provide equipment or services not available in public institutions, or where—at comparable cost—they can provide substantially equivalent training, expand use of the individual referral method, or aid in reducing more quickly unemployment or manpower shortages.

The House amendment established an effective date of July 1, 1965, for both the repeal of sections 16 and 17 of the Area Redevelopment Act and the authorization of a supplementary training program in redevelopment areas, under the new section 241 of the Manpower Development and Training Act of 1962.

The Senate bill provided that repeal of these provisions and authorization of the redevelopment area training program be effective as of the date of the enactment of the bill, subject to a saving clause providing that repeal of sections 16 and 17 of the Area Redevelopment Act shall not affect the disbursement of funds under, or the carrying out of obligations entered into pursuant to that Act before the date of repeal. Section 9(b) of the conference substitute adopts the House amendment, but adds to it the saving clause in the Senate bill. The conference substitute, therefore, brings the training programs in redevelopment areas under the Manpower Development and Training Act of 1962, as of July 1, 1965. Except as expressly provided for in section 241 of the Act, these programs in redevelopment areas will be subject to the same conditions as other programs under the Act with respect to training allowances, transportation and subsistence allowances, duration of training, and other terms. It is expected that between the date of enactment of S. 974 and July 1, 1965, the administrators of the training programs now authorized under the Area Redevelopment Act will take appropriate steps to phase out the administration of their program and to phase in the Manpower Development and Training Act administration of training in redevelopment areas. The saving clause is not intended to stimulate the creation of new Area Redevelopment Act training projects in anticipation of the effective date of the repeal of the Area Redevelopment Act training sections, sections 16 and 17.

The House amendment authorized the appropriation of "such amounts as may be necessary" to carry out the purpose of the Act through the fiscal year ending in 1968. The Senate provision limited authorizations for the fiscal year ending in 1966 to $46 million for title I, $385 million for parts A and B of title II, $22 million for part C of title II, and $1 million for title III; but provided for no limitation of authorizations for subsequent fiscal years. Section 12 of the conference substitute adopts the Senate provisions.

The House amendment provided, in section 310 of the Act, for termination of all authority under title II of the Act on June 30, 1968. The Senate bill provided for termination of such authority on June 30, 1970. Section 16 of the conference substitute provides for termination of all authority under title II on June 30, 1969.

Adam C. Powell,
James G. O'Hara,
Dominick V. Daniels,
Roman C. Pucinski,
Sam M. Gibbons,
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William H. Ayres,
John M. Ashbrook,
Albert H. Quie,
Managers on the Part of the House.

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Free world vessels trading with North Vietnam, 1964—Continued

Flag	Agent	Ostensible owner	Vessel
Japanese		Yamashita Shimihan Kisen K.K., Tokyo	Yamaasa Maru.
Do		Yamashita Shimihou Kisen K.K., Tokyo	Unkai Maru.
Norwegian	Aarstad, Sigurd S., Bergen	Sig. S. Aarstads Rederi A/S & A/S Victor Mullers Rederi, Bergen	Admiral Hardy.
Do		Birkeland, Sigbjorn, Rederi, Bergen	Ole Bratt.
Do	Brovig, Th., Farsund	Partrediriet, Brövigtank	Ragnhild Brövig.
Do	Brunsgaard Kiosterud & Co., Drammen	Bruunsgaard Kiosteruds Skibs A/S	Hermod.
Do	Gaard, Einar M., Haugesund	Einar M. Gaard A/S & Sigurd, Haavik A/S	Gardvik.
Do	Jahre, Anders, Sandefjord	Aksjeselsk, Kosmos	Jarmina.
Do	Lund, Eilert, Bergen	Eilert Lund's Rederi	Susanne.
Do	Nordbo, Th., Haugesund	D/S, A/S, Falkeid	Dana.
Do		Odland, Jacob, S. S., Haugesund Dampshe A/S Produce	Prominent.
Do		Paulsen, Egil, Fredrikstad Skibs-A/S Karlander, Oslo	Slembe.
			Sletfjord.
Do		Skogland, Vladimir A/S, Haugesund D/S A/S Anglo	Varild.
Do		Sveen, Arne F., Oslo	Hock Lee.
Do		A/S Arne Sveen's, Rederi	Mui Finn.
			Mui Heng.
Do		Wilhelmsen, Wilh., Oslo	Thermopylae.
Do	Wrangell, H. M., & Co., A/S, Haugesund	Skibs A/S, Corona	Hoi Ying.
British		China Navigation Co., Ltd., London	Fengning.
Do	Far East Corp., Ltd., Singapore, Malaysia	Continental Navigation & Enterprises, Ltd., Hong Kong	Fortune Wind.
Do	Gibbs & Co. (Ship Management), Ltd., Newport	West Wales S.S. Co., Ltd., Newport	East Wales.
Do	Guan Guan Shipping, Ltd., Singaport, Malaysia	Hong Kong South Sea Shipping Co., Ltd., Hong Kong	Samodra Mas.
Do	Gulab, Devidas, Hong Kong	Culab Trading & Shipping Co. (Hong Kong), Ltd	Kishni.
Do	Hornbeam Co., Ltd., Hong Kong	Eastland Nav. & Commerce, Ltd., Hong Kong	Amoy.
Do	Hua Siang Steamship Co., Ltd., Singapore, Malaysia	Chan Kim Yam, Singapore	Giang Seng.
Do		Hui An Shipping Co., Ltd., Hong Kong	Hui An.
Do		Indo-China Steam Navigation Co., Ltd., the, Hong Kong	Eastern Queen.
Do	Jebmei Shipping Management Co., Ltd., Hong Kong	Verder & Co. (Hong Kong), Ltd., Hong Kong	Santa Granda.
Do		Jin Hoe Co., Ltd., Kuching, Sarawak, Malaysia	Jinsan.
Do	Kie Hock Shipping Co., Ltd., Singapore, Malaysia	Kie Hock Shipping (H. K.) Co., Ltd., Hong Kong	Boscombe Down.
			Tong Hong.
			Tong Wee.
Do		Malaysia, Government of the Federation of, Malaya, Malaysia, Marine Department.	Gannet (dredger).
Do	Manners, John & Co., Ltd., Hong Kong	Cambay Prince S.S. Co., Ltd., Hong Kong	London Breeze.
			Thames Breeze.
Do		Cronulla Shipping Co., Ltd., Hong Kong	Cardross.
Do		North Breeze Navigation Co., Ltd., Hong Kong	East Breeze.
Do		South Breeze Navigation Co., Ltd., Hong Kong	Adelaide Breeze.
			Pacific Breeze.
Do	Mariner Shipping Co., Ltd., Hong Kong	The Keystone Shipping Co., Ltd., Hong Kong	Golden Zeta.
Do		Escort Shipping Co., Ltd., Hong Kong	Happy Seafarer.
Do		Isis Shipping Co., Ltd., Nassau, N.P., Bahamas	Happy Mariner.
Do	Moller, Chris, Hong Kong	Red Anchor Line, Ltd., Hong Kong	Denny Rose.
			Ruthy Ann.
Do	Moller's Ltd., Hong Kong	River Line, Ltd., Hamilton, Bermuda	Elbow River.
Do		Mullion & Co., Ltd., Hong Kong	Ardrowan.
			Ardsirod.
Do		On Thai Navigation Co., Ltd., Hong Kong	Blissful.
Do		Ocean Tramping Co., Ltd., Hong Kong	Crawford.
			Wishford.
Do		Hemisphere Shipping Co., Ltd., Hong Kong	Kingford.
			Milford.
Do		Peninsular Shipping Co., Ltd., Hong Kong	Dartford.
			Greenford.
			Longford.
			Rochford.
Do	Pang Kwok Sui, Hong Kong	Shun Cheong S. N. Co., Ltd., Hong Kong	Belinda.
			Taipoohong.
Do		Tai Ping S. S. Nav. Co., Ltd., Hong Kong	Tailungshan.
Do	United China Shipping Co., Ltd., Hong Kong	Kinabatangan Shipping Co., Ltd., Hong Kong	Semporna Bay.
Do	Vergottis, Ltd., London	Vergocean S.S. Co., Ltd., London	Vergmont.
Do		Taikoo Dockyard & Engineering Co., of Hong Kong, Ltd., Hong Kong.	Tai Koo.
Do	World-Wide (Shipping), Ltd., Hong Kong and London	Corithian Shipping Co., Ltd., Hong Kong	Golden Alpha.
			Golden Delta.
Do		Willow Shipping Co., Ltd., Hong Kong	Kawana.
Do	Yick Fund Shipping & Enterprises Co., Ltd., Hong Kong	Tat On Shipping & Enterprises Co., Ltd., Hong Kong	Shun Fung.
Lebanese	Franco Shipping Co., Ltd., Athens	Olistim Nav., Co., Ltd., Monrovia	Toula.
Do		Olisman Cia. Nav., Ltda., Panama	Vassiliki.
Do	General Marine Agency, Ltd., London	Orient Shipping Corp., Monrovia	Rodos.
Do	Halcoussis, A., & Co., Piraeus	Helmos Cia. Nav. S.A., Panama	Helmos.
Do	Marcou & Sons, Ltd., London	Cia De Nav. Arcoul, S.A., Panama	Mariannina.
Do		Ocean Tramp Tankers Corp., Panama	Eugenia.
Do	Michailides, Th. M., Athens	Misisapa Naviera, S.A., Panama	Maria Despina.
Do	Nomikos (London), Ltd., London	Santa Spyridon Maritime Co., Ltd., Monrovia	Tarseus.
Do		26th October Maritime Co., Ltd., Monrovia	St. Demetrius.
Do	Papadimitriou, D. J., & Sons, London	Cia Santa Marigo, S.A., Panama	Troyan.
Do	Tattos, Nic. G., Athens	Rio Pardo Cia. Nav. S.A., Panama	Panaghia Lour.
Do	Tharros Shipping Co., Ltd., London	Astir Cia. Nav. S.A., Panama	Astir.
Do	Tricoglu V., London	Trico Corp., Panama	Tertric.
Do	Troodos Shipping & Trading Co., Ltd., London	Maritza Cia. Nav. S.A., Panama	Maritza.
Do	Vlassopulos, N. & J., Ltd., London	Alpha Cia. Nav., S.A., Panama	Alaska.
Do		Oceanica Armadora, S.A., Panama	Parmarina.
Do	Xylas, Anthony J., Piraeus	Blessing Soc., Anon., Panama	Irene X.
Greek	Aegis Shipping Co., Ltd., Piraeus	Marguarida Cia. Nav. S.A., Panama	Aeakos.
Do	Chios Navigation Co., Ltd., London	Pioneer Shipping Development Inc., Panama	Khios Belle.
Do	Diamantis, Constantin, Piraeus	Greek Tankershipping Co. Ltd	Thermopylai.
Do		Resurreccion Compania Naviera, Athens	Anastassis.
Do	Franco Shipping Co., Ltd., Athens	Stamle Cia. Nav. S.A., Panama	Barbarino.
Do	Goulandris Bros., Ltd., London	Bahia Salinas Cia., Panama	Marrier.
Do	Hadjipateras, Harry	Sapphire Cia, Nav. S.A., Panama	Aegiaon.
Do	Lemos, G., Bros. Co., Ltd., London	Santa Katerina Cia. Nav., S.A., Panama	Apostolos Andreas.
Do		George Christos Lemos, Athens	Hellas.
Do	Lemos & Pateras, Ltd., London	Spalmatori Cia. Nav., S.A., Panama	Spalmatori.
Do		Apiganos Corp., Panama	Kapetan Andreas.
Do	Lusi, A., Ltd., London	Conquistador Cia. Naviera., S.A., Panama	Constantinos.
Do		Herculiana Cia. Nav. S.A., Panama	Alcyonis.
Do	Lykiardopulo & Co., Ltd., London	Daphne SS. Co., SA, Panama	Daphne.
Do		Margaronis, Dem P., & Sons, Athens	Efrychia.
Do	Michalinos Maritime & Commercial Co., Ltd., Piraeus	N. Michalos & Sons Maritime Co., Ltd., Piraeus	Calliopi Michalos.
Do	Nomikos (London), Ltd., London	Prosperity S.S. Corp., Monrovia	Polynki.
Do	Papadimitriou, D. J., & Sons, London	Cia. Santa Roberts, S.A., Panama	Thebean.
Do	Tropis Shipping Co., Ltd., London	Marsiguro Cia. Nav. S.A., Panama	Katerina.

Footnote at end of table.

Free world vessels trading with North Vietnam, 1964—Continued

Flag	Agent	Ostensible owner	Vessel
Panamanian	Goulandris Bros., Ltd., London	Bahia Salinas Cia. Nav. S.A., Panama	Hawk.
Do	Kie Hock Shipping Co., Ltd., Singapore	Palembang Shipping Co., Ltd., Panama	Selat Sunda.
Do	Papadimitriou, D. J., Sons, London	Cia. San Giovanni, S.A., Panama	Apollonian.
Do		Cia. Santa Kalliopi, S.A., Panama	Tegean.
Do	Salvatores & C., S. R. L., Genoa	Cia. di Nav. Almeriante S.A., Panama	Seacob.
Do	Tuillier, Sebastiano, Lugano, Switzerland	Cia. di Nav. Indomitus, S.A., Panama	Sanrocco.
Do	Tidewater Commercial Co., Inc., Baltimore	International Nav. Corp., Monrovia	Severn River.
Italian		Corrado, Societa di Navigazione, Genoa	Cesco Corrado.
Do	D'Amico, Fratelli, Rome	Cia. Baleniera Italiana, S.P.A., Palermo	Euro.
Do		Marittima Capodorsa, S.P.A., Rome	Settemari.
Do		Garibaldi, Societa Cooperative di Navigazione ARL, Genoa	Caprera.
Do		Lloyd Triestino, Societa per Azioni di Navigazione, Trieste	Viminale.
Do		Parodi, Societa per Azioni Emanuelee V., Genoa, Enrico Parodi	Marina G. Parodi.
Do	Ravano, Alberto, fu Pietro, Genoa	Adriatico Tirrino Jonio Ligure (A.T.J.L.) di Alberto Ravana & figli.	Probitas.
Do	Sicinicariella, F., Naples	San Francisco Soc. di Nav., Messina	San Francisco.
Do		Societa Siciliana, Servizi Marittimi, SPA, Rome	Benadir.
British		St. Merryn Shipping Co., Ltd., Hong Kong	Isabel Erica.

[1] *Peking Maru.*

ATTORNEY GENERAL KATZENBACH AND ENFORCEMENT OF THE LAW

(Mr. MARTIN of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of Alabama. Mr. Speaker, last night I listened with amazement and disbelief to the interview on "Meet the Press" with the Attorney General of the United States. I find it difficult to believe that Mr. Katzenbach can successfully fulfill the duties as head of the Justice Department while holding such confused notions about justice and the enforcement of the law.

Mr. Katzenbach evidently does not believe in impartial justice as illustrated in his excusing the action of throwing demonstrators out of the Justice Department building, but condoning sit-ins in Selma. The Attorney General said he had them thrown out because he wanted to work. He said he did not believe that it was proper to sit in in the Justice Department or anywhere on Constitution Avenue in Washington.

How do you suppose this statement will be received by public officials, businessmen, and the good citizens of Selma who also wanted to work, to carry out their official duties, but were prevented from doing so for more than 9 weeks by wild demonstrations and lawless gatherings, which were apparently approved by the Attorney General? Why is it proper to demonstrate on U.S. Highway 80 in Alabama, but improper on Constitution Avenue in Washington? Is this an impartial view of justice by the Attorney General of the United States?

Mr. Katzenbach declared his belief in Martin Luther King as "a responsible leader." The Attorney General can tell the people of the Nation that Martin Luther King is a responsible leader knowing full well that one of the most respected individuals in America, the head of the FBI—a division of Mr. Katzenbach's own Justice Department—only recently said that Martin Luther King "is the most notorious liar in the country." The Attorney General can call Martin Luther King a responsible leader, knowing full well his background and record. Such a statement either proves the Attorney General dangerously naive or simply means he refuses to face the facts.

One of the most amazing parts of the "Meet the Press" program was the reluctance of the Attorney General to state definitely that all people should obey the laws of the land. He equivocated with the statement that it may be OK to break the law when a moral issue is involved. Who is to determine which moral issues are above the law? How can we have equal justice before the law when the Attorney General condones lawlessness and immorality against some because of a moral interpretation of others with whom he agrees or owes a political obligation?

Finally, the Attorney General of the United States came close to condoning Martin Luther King's boycott of Alabama regardless of the misery it will cause to thousands of the people King and Katzenbach make such a show of wanting to help. Comparing the people with the Nazis was most outrageous, and will be resented by thinking people everywhere. I demand an apology from him in behalf of the people of Alabama.

Mr. Speaker, when the Attorney General of the United States demonstrates such partiality in dispensing justice, such a callous attitude on the need for obedience to the laws of the land, I seriously question his right or his ability to head the Department of Justice. With this attitude on the part of the chief law officer of the Nation, what justice can the majority expect? I believe the Attorney General and the President should make clear to the American people where the Justice Department stands in seeing to it that there will be equal justice before the law for all the people of the country, not just a political minority.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

Mr. O'HARA of Michigan submitted the following conference report and statement on the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 231)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Manpower Act of 1965'.

"SEC. 2. Section 101 of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the 'Act'), is amended by inserting before the last sentence thereof the following new sentence: 'The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions, where such training would further the purposes of this Act.'

"SEC. 3. (a) Section 102(5) of the Act is amended by adding a comma after the word 'arrange' and inserting 'through grants or contracts,' immediately following the comma.

"(b) Section 102 of the Act is further amended by striking out 'and' at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period '; and', and by adding at the end of such section the following new paragraph:

"'(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act.'

"SEC. 4. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sec-

tions 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

" 'Job development programs

" 'SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

" 'Labor mobility demonstration projects

" 'SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment) and are deemed qualified to perform the work for which they are being employed.

" '(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

" '(1) there is reasonable assurance of repayment of the loan;

" '(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

" '(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

" '(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

" '(5) the loan is repayable within not more than ten years.

" '(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

" 'Trainee placement assistance demonstration projects

" 'SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section.'

"(b) Section 102(2) of the Act is amended by striking out '104' and inserting in lieu thereof '107'.

"SEC. 5. Section 202(i) of the Act is amended by striking out ', and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks'.

"SEC. 6. (a) Section 203(a) of the Act is amended as follows:

"(1) Amend the second sentence thereof to read as follows: 'Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided,* That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further,* That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.';

"(2) Amend the second paragraph thereof to read as follows:

" 'With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.';

"(3) Insert the words 'under the training program' after 'compensated hours per week' in the third paragraph of such subsection;

"(4) In lieu of the fourth paragraph of such subsection insert the following:

" 'The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.'

"(b)(1) Section 203(b) of the Act is amended by striking out the matter following 'to defray transportation' and preceding '*Provided*', and by inserting in lieu of such matter the following: 'expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:'.

"(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ', except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe'.

"(c) Section 203(c) of the Act is amended as follows:

"(1) Strike the words 'not less than' in the first sentence and insert 'at least" in lieu thereof;

"(2) Strike out everything in the first sentence after the words 'gainful employment', and insert the following in lieu thereof: ': *Provided,* That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further,* That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section';

"(3) Amend the last sentence to read as follows: 'The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training.'

"(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such section are redesignated as (d), (e), (f), (g), (h), and (i), respectively.

"(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows 'all of such benefits paid' and inserting in lieu thereof a period.

"SEC. 7. Section 208 of the Act is repealed.

"SEC. 8. Section 231 of the Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: 'Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided,* That for the period ending June 30, 1966, the State

agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.'

"SEC. 9. (a) Title II of the Act is amended by adding part C to the end thereof to read as follows:

"'PART C.—REDEVELOPMENT AREAS

"'SEC. 241. The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare, in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"'(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"'(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided,* That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"'(3) the Secretaries of Labor and of Health, Education, and Welfare shall each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"'(4) no funds available under this section shall be apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required.'

"(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the effective date of the repeal of such sections.

"(c) This section and the amendments made by it shall take effect on July 1, 1965.

"SEC. 10. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso: '*Provided,* That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.'

"SEC. 11. Section 302 of the Act is amended by striking the word 'and' following 'the Smith-Hughes Vocational Education Act' inserting a comma in lieu thereof, and inserting 'and the Vocational Education Act of 1963,' following 'the Vocational Education Act of 1946,'.

"SEC. 12. Section 304 of the Act is amended to read as follows:

"'*Appropriations authorized*

"'SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

"'(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

"'(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.'

"SEC. 13. The following subsection is added to section 305 of the Act to read as follows:

"'(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided,* That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965.'

"SEC. 14. Subsection (a) of section 306 of the Act is amended by inserting after 'procedures,' the following: 'including (subject to such policies, rules, and regulations as they may prescribe) the approval of any program under section 202, the cost of which does not exceed $75,000,'.

"SEC. 15. Sections 309(a) and 309(b) of the Act are both amended by striking 'Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966' and inserting in lieu thereof: 'Prior to April 1, in each year'.

"SEC. 16. Section 310 of the Act is amended by striking out '1966' wherever it appears and inserting in lieu thereof '1969'."

And the House agree to the same.

ADAM C. POWELL,
JAMES G. O'HARA,
DOMINICK V. DANIELS,
ROMAN PUCINSKI,
SAM M. GIBBONS,
WILLIAM D. HATHAWAY,
WILLIAM H. AYRES,
JOHN M. ASHBROOK,
ALBERT H. QUIE,
Managers on the Part of the House.

JOSEPH S. CLARK,
JENNINGS RANDOLPH,
PAT MCNAMARA,
CLAIBORNE PELL,
EDWARD KENNEDY,
GAYLORD NELSON,
WINSTON L. PROUTY,
J. K. JAVITS,
GEORGE L. MURPHY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a new text. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment.

The differences between the House amendment and the substitute agreed upon in conference are described in this statement, except for incidental, minor, technical, and clarifying changes. References to the "act" are to the Manpower Development and Training Act of 1962.

TITLE I: MANPOWER REQUIREMENTS, DEVELOPMENT AND UTILIZATION

The House amendment omitted section 2 of the Senate bill which amended section 101 of the act to make an explicit finding of Congress that many professional employees, who have become unemployed because of changes in national defense and other industrial activities, are in need of refresher or reorientation training. Section 2 of the conference substitute contains a statement on this point, but in different form from the Senate version. The substitute leaves out the specific reference to defense and industrial activities, and states that Congress finds that "many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions where such training would further the purposes of this Act". In adopting this substitute, the conferees are not implying that it would be appropriate under this Act to give professional training to an individual to enable him to qualify initially for a professional career. Their intention is only to make clear that the Act should not be so narrowly interpreted as to exclude any provision of limited refresher or reorientation training to professionals who may require such training in order to escape unemployment as a result of obsolescence of their particular specialized skills.

TITLE II: TRAINING AND SKILL DEVELOPMENT PROGRAMS

The House amendment contains a provision amending section 203(b) of the Act so as to authorize full payment of a trainee's local transportation costs, by the most economical mode of public transportation. The Senate bill limited such payment to a maximum of 10 cents per mile. The conference substitute contains the House provisions, since it was agreed that a trainee's cost of local transportation between his residence and the training site, by the most economical public transportation available, should be paid for, even though in some cases such cost might exceed 10 cents per mile.

The House amendment omitted provisions in the Senate bill which amended section 203(c) of the Act so as to (1) authorize payment of training allowances to members of a family or household whose head is employed, if the Secretary of Labor determines such payments are necessary in order for the trainees to undertake or continue training, and (2) deny payment of training allowances to any member of a family or household whose head has been found to have terminated his own employment for the purpose of enabling such member to qualify for an allowance. Section 6(c)(1) of the conference substitute adopts these provisions of the Senate bill. However, the conferees expect that restraint will be exercised by the Secretary, in using his new authority to grant allowances to members of a family or household whose head is employed. Such allowances should be granted only if the family or household head's employment does not provide sufficient income to support the trainee through his period of training. Under the provision adopted in conference, an allowance may be authorized for a member of a family or household with an employed head only if such al-

lowance is "necessary" to permit the trainee to undertake or continue training.

The House amendment omitted a provision of the Senate bill which amended section 203(c) of the Act to authorize continued payments of training allowances to a trainee who becomes 22 years of age during the course of training, provided that he has completed by then a substantial part of his prescribed course. Section 6(c)(3) of the conference substitute adopts this Senate provision. The purpose of the provision is to make it unnecessary to cut off the allowance of a trainee, who is receiving the weekly allowance of up to $20 paid to youths enrolled in special youth programs, when he reaches his 22nd birthday. Trainees who continue to receive youth allowances under section 202(b) training programs after reaching age 22 will continue to be considered as youth receiving training allowances for the purpose of observing the limitation in section 203(c) that not more than 25 percent of persons receiving training allowances shall be youths.

The Act presently permits State agencies to provide training through private institutions if it can be provided at reduced Federal expenditure. The Senate bill amended this provision to authorize training where private institutions could provide substantially equivalent training at comparable Federal expenditure, or provide equipment or services not available in public institutions, or make possible an expanded use of the individual referral method, or aid in reducing more quickly unemployment or current and prospective manpower shortages. Section 8 of the conference substitute adopts this Senate provision, but in a substantively reworded form, which authorizes training through private institutions where they can provide equipment or services not available in public institutions, or where—at comparable cost—they can provide substantially equivalent training, expand use of the individual referral method, or aid in reducing more quickly unemployment or manpower shortages.

The House amendment established an effective date of July 1, 1965, for both the repeal of sections 16 and 17 of the Area Redevelopment Act and the authorization of a supplementary training program in redevelopment areas, under the new section 241 of the Manpower Development and Training Act of 1962.

The Senate bill provided that repeal of these provisions and authorization of the redevelopment area training program be effective as of the date of the enactment of the bill, subject to a saving clause providing that repeal of sections 16 and 17 of the Area Redevelopment Act shall not affect the disbursement of funds under, or the carrying out of obligations entered into pursuant to that Act before the date of repeal. Section 9(b) of the conference substitute adopts the House amendment, but adds to it the saving clause in the Senate bill. The conference substitute, therefore, brings the training programs in redevelopment areas under the Manpower Development and Training Act of 1962, as of July 1, 1965. Except as expressly provided for in section 241 of the Act, these programs in redevelopment areas will be subject to the same conditions as other programs under the Act with respect to training allowances, transportation and subsistence allowances, duration of training, and other terms. It is expected that between the date of enactment of S. 974 and July 1, 1965, the administrators of the training programs now authorized under the Area Redevelopment Act will take appropriate steps to phase out the administration of their program and to phase in the MDTA administration of training in redevelopment areas. The saving clause is not intended to stimulate the creation of new ARA training projects in anticipation of the effective date of the repeal of the ARA training sections, section 16 and 17.

The House amendment authorized the appropriation of "such amounts as may be necessary" to carry out the purpose of the Act through the fiscal year ending in 1968. The Senate provision limited authorizations for the fiscal year ending in 1966 to $46 million for title I, $385 million for parts A and B of title II, $22 million for part C of title II, and $1 million for title III; but provided for no limitations of authorizations for subsequent fiscal years. Section 12 of the conference substitute adopts the Senate provisions.

The House amendment provided, in section 310 of the Act, for termination of all authority under title II of the Act on June 30, 1968. The Senate bill provided for termination of such authority on June 30, 1970. Section 16 of the conference substitute provides for termination of all authority under title II on June 30, 1969.

ADAM C. POWELL,
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Managers on the Part of the House.

CORRECTION OF THE RECORD

Mr. MULTER. Mr. Speaker, on April 6, 1965, pursuant to permission granted that day, I submitted for the body of the RECORD the extension of my remarks with reference to H.R. 7091.

They were plainly marked for insertion in the body of the RECORD during the course of the debate on H.R. 7091 and they were properly addressed "Mr. Chairman" indicating their proper place in the proceedings while the House was in the Committee of the Whole.

They now appear in the RECORD of April 6, 1965, on page 6937 under the title "Subsidies for Helicopter Service" and with an indication that our distinguished colleague, the gentleman from Hawaii [Mr. MATSUNAGA], had requested permission for me to extend my remarks at that point in the RECORD. No such request was made by me or for me by our distinguished colleague and the reference is completely erroneous.

What is worse, however, is that someone in the Printing Office had the effrontry to edit my remarks and change the salutation from "Mr. Chairman" to "Mr. Speaker."

I ask unanimous consent that the permanent RECORD be corrected accordingly and that my remarks be properly printed as part of the proceedings in the Committee of the Whole on H.R. 7091.

The SPEAKER pro tempore (Mr. HECHLER). Is there objection to the request of the gentleman from New York?

There was no objection.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965

Mr. MULTER. Mr. Chairman, I rise to express my disappointment with the manner in which subsidies for the helicopter service are being handled.

I support the program of the Civil Aeronautics Board for elimination of helicopter subsidy in 1970 and declining subsidy payments in the interim period. Under the Board's program the three carriers would receive a total of $11.4 million between January 1, 1966 and July 31, 1970. The average annual cost per carrier is less than the cost of 1 mile of highways constructed under the Federal Highways program.

Without this limited subsidy support all of the knowledge, experience, and skill obtained in 43 years of collective operations may well be lost.

For instance, New York Airways is making substantial progress in its determination to become subsidy free. Only last month the Federal Aviation Agency gave approval to a new instrument flight device that has been developed over a period of 14 years specifically for use in the field of vertical flight.

Likewise, New York Airways is on the verge of commencing service from the world's first carefully conceived large city center building top heliport on the roof of the Pan Am Building in the Grand Central area of New York. The plans for this facility were commenced more than 4 years ago. It is expected to be in operation this summer.

New York Airways is a nationwide service, 46 percent of its passengers residing in cities and towns outside the metropolitan area. New York passengers to such cities as Pittsburgh, Detroit, and Cleveland spend more time on the ground than in the air. Even on a trip from Atlanta to New York surface time accounts for 44 percent of the total journey time. Its commercial revenues have increased 55 percent in the last 2 years alone. Cost per passenger mile decreased 28 percent in the same period. Its subsidy per passenger mile has decreased 38 percent in the last 2 years.

New York Airways is working with Boeing on a large tandem rotor helicopter capable of carrying 40 to 45 passengers at a cruising speed of 175 to 200 miles per hour. This machine, when it is in operation, will mean that New York and Washington will be linked city center to city center in an hour's flying time.

The total dollar amount of additional subsidy required for the final 4½ years of subsidized operations by the three certificated helicopter carriers is $11.4 million. The annual amount averages about $2½ million per year or 3 percent of the $82 million requested for all airline subsidies for the next fiscal year. I urge that this service be continued.

TAXING TRAVEL

(Mr. HUNGATE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, a growing concern has been evidenced in my district over the proposed tax on persons who travel abroad. The feeling of many on this subject has been expertly worded in an article written by Louise Thomson recently in the St. Charles Banner-News, St. Charles, Mo. I would like to call it to the attention of this body:

ON TAXING TRAVEL

It isn't as if I were planning to go anywhere—in the near future or in the next few

years. But I'm shook right down to my nine toenails (one of them was removed recently) about a proposed $100 tax levy on each person who travels overseas.

Up in Washington a great amount of concern is being voiced about how much American money goes out of the country while a proportionately smaller amount comes in. This is extremely hard on the keepers of the cash at Fort Knox. I'll admit that I understand how bad it is to have more money going out than coming in—after all I get a lecture on that here at home the first of every month, but I can't think of a much more undemocratic way for the Government to balance its world trade books.

Doesn't it seem odd that we Americans shake our heads in dismay and react with repulsion because the Communist countries pointblank refuse to let their people out of the homeland. In a sort of reverse negative action a head tax on the oversea destined American achieves the same result. In Iron Curtain countries the privileged few were able to travel. A U.S. tax would smack of the same patronage. To the well-to-do, the $100 would mean relatively little, but to the young couple who have eaten hamburgers for 3 years in return for 2 weeks in Spain, to the college student who can eke out the low fare and then rough it on his stay, to the retired couple who deferred that trip to Europe for so many years, the tax could make the difference between staying or going.

But anyway, say the tax goes into effect and people do stay home. They spend their vacation dollar in the United States. That's fine. Actually, though domestic travel is doing fine. The only people who complain about business are the World's Fair officials. On the other hand the money vacationers spend overseas goes into the pockets of the restaurant owners, the innkeepers, the shop proprietors—it gets to the people. The United States is committed to foreign aid and the money sent through Government channels often seems to hit a snag. That money is rumored to get lost in the pockets of officialdom more frequently than we'd like to believe.

Now, I have a much better plan for helping the foreign economy. Since we all know that the free world will flourish with a healthy flow of funds and since Congress votes huge sums for that purpose every year, it should devise a whole new system.

Instead of thinking of levying a tax for those who desire to travel abroad, subsidize the traveler instead. Cut out the foreign aid at the high echelon level, and make it appealing to travel to those countries which need the most aid. The Government might offer only a $50 allowance to each man who wants to go to some relatively wealthy country in Europe, but as much as $500 to the person who is willing to have a holiday in South Africa.

I can't imagine that anybody in Washington will go along with my suggestion, but I hope and pray that nobody there votes for that travelers tax. Gee, right now I couldn't afford to go even if the tax were only 50 cents, but the basic principle of such a tax is un-American.

L.W.T.

OLD FAITHFUL GEYSER IN YELLOWSTONE PARK

(Mr. HUNGATE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, it has been known for years that Old Faithful geyser in Yellowstone Park is not too dependable when it comes to erupting, but now it develops that she leads a double life as well.

Dr. John S. Rinehart, a native of Kirksville, Mo., and a graduate of Northeast Missouri State Teachers College with a B.S. in education and an A.B. degree in physics, who is now with the Coast and Geodetic Survey, U.S. Department of Commerce, revealed that the famous geyser generally has two different cycles of eruptions. One occurs after a period of 45 to 55 minutes; the other after a period of 60 to 85 minutes. The long cycle predominates more than 3 to 1.

These conclusions are based on a study made by Rinehart, head of the Office of Research and Development, between January 27 and February 1 in Yellowstone Park. Rinehart made known his findings at the Seismological Society of America meeting in St. Louis, Mo.

Rinehart said his findings led him to believe that two cauldrons underlie the geyser, one smaller than the other. The larger apparently fills and erupts three times as often as the smaller.

We've known for many years that the geyser isn't as faithful as its name implies and that you couldn't set your watch by the time it erupted—

He stated—

However, this is the first knowledge we've had that there are two different patterns of eruption cycles.

The study, financed jointly by the Coast and Geodetic Survey and the National Science Foundation, with assistance at the site by the National Park Service, detected and measured for the first time the noises generated by a geyser.

To do so, a geophone, or seismometer, was placed on the cone of Old Faithful, about 60 feet from the opening. The instrument recorded over a period of several days Old Faithful's shakes and spasms.

The boiling water beneath the surface pushes against rock, setting up disturbances which are detected by the seismometer.

Explained Rinehart.

The study revealed that most tremors, or noises, are relatively weak and occur at about 1-second intervals. Interspersing these weak tremors are sharper tremors. As the time for the eruption draws near, these large tremors increase in their frequency until the eruption occurs.

Then Old Faithful settles down for a rest, as if worn out by her exertions, and no tremors occur for 20 to 30 minutes. Then they start all over again.

The Coast and Geodetic Survey scientists said the tremors for the short cycle of eruptions begin earlier than those for the long cycle. The study showed that the shortest time between eruptions was 45 minutes; the longest, 85 minutes. Over the period during which the eruptions were registered, there were 30 of the short cycle variety and 98 of the long cycle.

Rinehart said the quiet period of 20 to 30 minutes, when there is no earth motion, terminates abruptly more or less. Two types of tremors then appear: short, fairly low intensity bursts of about 30 each second, each lasting from one-tenth to two-tenths of a second, and somewhat similar bursts, but of very much higher intensity, spaced a minute or two apart. Frequently, two sharp tremors appear in quick succession. Generally, a single high intensity tremor or a pair of closely spaced tremors herald a violent ejection of steam 15 to 30 seconds thereafter. These tremors continue until eruption occurs, after which they cease.

We, in the Ninth District of Missouri are proud of such scientists as Dr. Rinehart and of the great teaching institution Northeast Missouri State Teachers College which trains such men.

FAIR CONDUCT OF FEDERAL ELECTIONS

(Mr. MINSHALL (at the request of Mr. RUMSFELD) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MINSHALL. Mr. Speaker, the voting rights battlefields has more than one front. An area largely overlooked in the struggle for full rights for all Americans involves corruption at the ballot box. When votes are illegally cast or illegally counted, honest citizens are robber of their franchise.

I am introducing a bill to help assure that Federal elections are conducted fairly. It would make it a Federal offense, with fines ranging to $10,000, and imprisonment up to 5 years, or both, to register, vote, or tabulate votes illegally.

Specifically, penalties would be invoked when—

Registrants give false information as to name, address, or length of residence;

There is conspiracy with others to register falsely;

Votes are illegally cast;

Money or other valuables are exchanged for registering and voting;

There is destruction or alteration of paper ballots or voting machine records;

Votes are fraudulently counted, or not counted at all.

This legislation is across-the-board, and would supplement and strengthen existing Federal law. Its enactment is paramount if present and future voting rights legislation is to have any real meaning.

(Mr. MINSHALL (at the request of Mr. RUMSFELD) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MINSHALL'S remarks will appear hereafter in the Appendix.]

WHAT DO THE "EMERGING NATIONS" WANT FROM US

(Mr. CUNNINGHAM (at the request of Mr. RUMSFELD) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CUNNINGHAM. Mr. Speaker, the March issue of the American Legion magazine contains an article that can be described as "shocking." It concerns a plan now pending in the United Nations for redistributing the world's trade and industry—at our expense.

14. ECONOMIC STATISTICS. Sen. Proxmire called for improvements in gathering and publication of economic statistics and inserted several items on the matter. pp. 7631-3

15. FARM LABOR. Sen. Proxmire defended Secretary of Labor Wirtz against recent criticism of his handling of the farm labor problem. pp. 7634-5

16. FOREIGN TRADE. Sen. Mansfield spoke in support of increased trade with the Soviet Union and Eastern European nations. p. 7539
Sen. Javits commended accomplishments of the Latin American Common Market and suggested that the U. S. and Canada should eventually be included in the Market. pp. 7583-5

17. ELECTRIFICATION. Both Houses received from the President a report and a proposed bill "to authorize the Secretary of the Interior to construct, operate, and maintain a third powerplant at the Grand Coulee Dam, Columbia Basin project, Wash." (H. Doc. 142); to Interior and Insular Affairs Committees. pp. 7539, 7727, 7627-8
Received from FPC a publication, "Statistics of Electric Utilities, 1963, Privately Owned." p. 7540

18. RESEARCH; COMMITTEES. Received from this Department a proposed bill to provide that the National Agricultural Research Advisory Committee shall meet annually (rather than at least quarterly) and at such other times as may be requested by the Secretary of Agriculture; to Agriculture and Forestry Committee. p. 7539

19. CROP INSURANCE. Received a GAO report on the examination of financial statements of the Federal Crop Insurance Corporation for fiscal year 1964. p. 7540

20. POVERTY. Received from the Office of Economic Opportunity a proposed bill "to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964"; to Labor and Public Welfare Committee. p. 7540

21. EXPENDITURES. Sen. Carlson inserted a speech by Sen. Allott critical of proposed increases in Federal expenditures. pp. 7572-4

22. LEGISLATIVE ACCOMPLISHMENTS. Sen. Mansfield reviewed legislative accomplishments so far this session of Congress and inserted a statement of the President congratulating Congress on its accomplishments. pp. 7539-40

23. ADJOURNED until Thurs., Apr. 15. p. 7642

HOUSE

24. MANPOWER. Agreed to the conference report on S. 974, to extend the Manpower Development and Training Act until June 30, 1969, and to transfer the training provisions of the Area Redevelopment Act to this Act. This bill will now be sent to the President. pp. 7662-3

25. WATER RESOURCES. House conferees were appointed on S. 21, the proposed Water Resources Planning Act (p. 7660). Senate conferees have already been appointed.

26. BUILDINGS. Received from the Public Works Committee a list of approved prospectuses for the construction or alteration of certain public buildings, including Agriculture's South Building. p. 7656

27. RECLAMATION. Rep. Roncalio spoke in support of proposed legislation to reauthorize the Riverton Extension Units of the Missouri River Basin project, and inserted an editorial. p. 7701

28. AREA REDEVELOPMENT. Rep. Sullivan stated that for 10 years she had "supported the area redevelopment acts and the idea of helping our depressed areas" but believes "the consequences will be more far reaching if the end result is to discourage...support for programs which can be misused to subsidize runaway plants in leaving our industrial centers to seek cheap labor in low-wage areas." pp. 7703-4

29. FLOOD CONTROL AND RELIEF. Rep. Ashbrook praised the flood control project which the U. S. Corps of Engineers is preparing for the Licking River Basin, Ohio, and inserted a brief history of the project. pp. 7713-5

Rep. Green, Ore., inserted an Oregon State Legislature memorial asking financial assistance for the flood-stricken areas of the State. p. 7726

30. FARM PROGRAM. Rep. Cleveland inserted an article, "Fiddling on the Farm," critical of the President's farm message, calling it "much ado about not much of anything." p. 7720

Rep. Langen inserted a copy of a letter from a young farmer urging the President "to take positive action to force a reconsideration of the basic agricultural policy of our country." pp. 7721-2

31. GRAZING. Received a New Mexico Legislature memorial "requesting a review of overly severe grazing regulations enforced by the U. S. Forest Service." p. 7729

32. PERSONNEL. Received a GAO report of "excessive cost-of-living allowances paid to Federal employees in Puerto Rico and the Virgin Islands." p. 7727

33. STOCKPILING. The Armed Services Committee voted to report (but did not actually report) H. Con. Res. 100, to express the approval of Congress for the disposal of raw silk and silk noils from the national stockpile. p. D296

34. CCC BORROWING AUTHORITY. Received from this Department a proposed bill to authorize reduction in CCC's borrowing authority by the amount of notes tendered for cancellation and to cancel interest on borrowings from the Treasury equivalent to unreimbursed realized losses; to Banking and Currency Committee. p. 7728

ITEMS IN APPENDIX

35. FARM PROGRAM. Extension of remarks of Rep. Berry inserting and editorial and stating that it points out the "very serious shortcomings of the administration's farm bill proposal." p. A1789

Rep. Derwinski inserted an article, "To Raise the Price of Bread," critical of the President's farm proposal. p. A1830

(H.R. 2998) to amend the Arms Control and Disarmament Act, as amended, in order to increase the authorization for appropriations, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 12, 1965.)

Mr. MORGAN. Mr. Speaker, the House conferees have secured a good compromise on this legislation.

The bill as passed by the House authorized $40 million for a 3-year period. The Senate cut this to $20 million for a 2-year period.

In the conference agreement $30 million was authorized for the next 3 years. In addition, there will be available about $1.7 million from a previous authorization. So almost $32 million will be available to carry out the work in the Arms Control and Disarmament Agency during the next 3 years.

Mr. Speaker, this bill was very short and it passed the House by a large majority.

Mr. Speaker, I urge the adoption of the conference report.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, I would join the gentleman from Pennsylvania in his statement that the conferees have come back to the House with the best possible conference report, having in mind the limitation within which we were required to work.

Mr. Speaker, for those who are economy minded, who thought that the House bill was a little too large, we have reduced it in the aggregate from an authorization carried in the House bill of $40 million for a 3-year period to an authorization in the conference version of $30 million over a 3-year period. This is substantially less than the Agency requested. Of course, the figure has yet to go through the appropriations process. The question in the conference was as to the period of time involved. As the gentleman from Pennsylvania the chairman of our committee has stated, the Senate had authorized an appropriation for a period of 2 years and the House had authorized an appropriation for a period of 3 years. We did agree to the longer period of time, but at a much smaller sum.

On balance, therefore, Mr. Speaker, it is my feeling that the conferees have performed well and have brought back an adequate and proper conference report within the limits of our authority.

Mr. Speaker, I would urge that the House adopt the report.

(Mr. ADAIR asked and was granted permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I cannot agree with the chairman of the Committee on Foreign Affairs in his statement that this is a good bill.

I want to say to the gentleman that I opposed the original bill and I oppose this bill on the grounds that there is no disarmament in the foreseeable future.

Mr. Speaker, we could spend $1 million a year or less and accomplish just as much by way of disarmament as is going to be accomplished by the expenditure of $10 million a year or $30 million for 3 years as this conference report provides. The expenditure of $1 million to year to maintain a few people capable of discussing disarmament with anyone who wanted to talk about it would save the taxpayers $27 million on the basis of this bill. And this program has been put on a 3-year basis because no one wants to attempt to justify it each year.

Mr. Speaker, the United States today is in the business of peddling arms all over the world. Only 2 or 3 months ago, we entered into a contract with the British to sell them $1 billion worth of arms. Now they are talking about buying $1 billion worth of our new warplanes.

We are selling and distributing arms all over the world. Yet we are here today asked to expend $10 million a year for 3 years on disarmament.

How utterly contradictory and ridiculous can we get? This Agency, with its extravagant payroll, is a wanton waste of the taxpayers' money and I am opposed to the conference report.

Mr. MORGAN. The gentleman has offered that argument before; we went through it during the hearings. Many other people in this country and in this body have different ideas on arms control. If we can spend $50 billion for defense I think we ought to be able to spend $10 million for studies and research to protect our interests in future negotiations on arms control or disarmament.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I join the distinguished chairman of the committee in the remarks he has made on this conference report. I think the conferees have brought back to the House an equitable and fair solution to the disarmament legislation.

Mr. Speaker, I wish to announce that the Subcommittee on the Far East and the Pacific of the Committee on Foreign Affairs will show a documentary film on Vietnam in room 2172 of the Rayburn Building at 3 o'clock this afternoon. I wish to take this opportunity to say that all Members of the House are welcome to attend and see this film.

Mr. MORGAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken, and the Speaker announced that the ayes had it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 315, nays 65, not voting 53, as follows:

[Roll No. 72]

YEAS—315

Abbitt
Adair
Adams
Addabbo
Albert
Anderson, Tenn.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspinall
Ayres
Bandstra
Barrett
Bates
Beckworth
Bell
Bennett
Berry
Betts
Bingham
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brock
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill, Va.
Burke
Burleson
Burton, Calif.
Burton, Utah
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Callan
Cameron
Carey
Carter
Celler
Chamberlain
Chelf
Clark
Cleveland
Clevenger
Cohelan
Conable
Conte
Conyers
Cooley
Corbett
Corman
Craley
Culver
Cunningham
Curtin
Curtis
Daddario
Dague
Daniels
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dent
Denton
Derwinski
Diggs
Dingell
Donohue
Dow
Downing
Dulski
Duncan, Oreg.
Dwyer
Dyal
Edmondson
Edwards, Calif.
Ellsworth
Evans, Colo.
Everett
Fallon
Farbstein
Farnsley
Fascell
Feighan
Flood
Fogarty
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Gallagher
Garmatz
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Grover
Hagen, Calif.
Halleck
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harvey, Mich.
Hathaway
Hawkins
Hays
Hébert
Hechler
Helstoski
Herlong
Hicks
Holifield
Horton
Howard
Hull
Hungate
Huot
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Calif.
Johnson, Okla.
Jonas
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
Keogh
King, Utah
Kirwan
Kornegay
Krebs
Kunkel
Laird
Landrum
Langen
Latta
Leggett
Lindsay
Long, Md.
Love
McCarthy
McClory
McCulloch
McDade
McDowell
McEwen
McFall
McGrath
McVicker
Macdonald
MacGregor
Machen
Mackay
Mackie
Madden
Mahon
Mailliard
Mathias
Matsunaga
Matthews
May
Meeds
Miller
Mills
Minish
Mink
Mize
Moeller
Monagan
Morgan
Morris
Morrison
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
O'Brien
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Ottinger
Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pike
Poage
Poff
Price
Pucinski
Quie
Race
Randall
Redlin
Reid, N.Y.
Reuss
Rhodes, Pa.
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Roudebush
Roush
Roybal
Rumsfeld
Ryan
St Germain
St. Onge
Saylor

Scheuer
Schisler
Schneebeli
Schweiker
Secrest
Selden
Senner
Shipley
Shriver
Sickles
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Smith, Va.
Springer
Stafford
Staggers
Stanton
Stephens
Stratton
Stubblefield
Sullivan
Sweeney
Taylor
Teague, Calif.
Tenzer
Thomas
Thompson, La.
Thompson, N.J.
Todd
Trimble
Tunney
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Walker, N. Mex.
Watkins
Watts
Whalley
White, Idaho
Whitener
Widnall
Willis
Wilson, Charles H.
Wolff
Wright
Wyatt
Wydler
Young
Zablocki

NAYS—65

Abernethy
Andrews, George W.
Ashbrook
Baring
Battin
Bray
Broyhill, N.C.
Buchanan
Callaway
Clancy
Clawson, Del
Collier
Cramer
Devine
Dickinson
Dole
Dorn
Dowdy
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Findley
Flynt
Fuqua
Gathings
Gross
Gurney
Haley
Hall
Harris
Harsha
Hosmer
King, N.Y.
Lennon
Lipscomb
Long, La.
McMillan
Marsh
Martin, Ala.
Martin, Nebr.
Minshall
Moore
O'Konski
O'Neal, Ga.
Pool
Quillen
Reid, Ill.
Rhodes, Ariz.
Rivers, S.C.
Roberts
Rogers, Tex.
Satterfield
Sikes
Smith, Calif.
Talcott
Teague, Tex.
Thomson, Wis.
Tuck
Utt
Waggonner
Walker, Miss.
White, Tex.
Whitten
Williams
Younger

NOT VOTING—53

Anderson, Ill.
Andrews, Glenn
Ashmore
Baldwin
Belcher
Blatnik
Bonner
Casey
Cederberg
Clausen, Don H.
Colmer
Dawson
Evins, Tenn.
Farnum
Fino
Fisher
Fulton, Tenn.
Gray
Gubser
Hagan, Ga.
Halpern
Harvey, Ind.
Henderson
Holland
Irwin
Jennings
Joelson
Johnson, Pa.
Jones, Ala.
King, Calif.
Kluczynski
Martin, Mass.
Michel
Moorhead
Nix
Passman
Pirnie
Powell
Purcell
Reifel
Reinecke
Resnick
Roosevelt
Rostenkowski
Schmidhauser
Scott
Stalbaum
Steed
Thompson, Tex.
Toll
Weltner
Wilson, Bob
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts for, with Mr. Glenn Andrews against.

Mr. King of California for, with Mr. Michel against.

Mr. Evins of Tennessee for, with Mr. Bob Wilson against.

Mr. Stalbaum for, with Mr. Casey against.

Mr. Pirnie for, with Mr. Fisher against.

Mr. Toll for, with Mr. Scott against.

Mr. Roosevelt for, with Mr. Passman against.

Mr. Rostenkowski for, with Mr. Ashmore against.

Mr. Fulton of Tennessee for, with Mr. Colmer against.

Mr. Reifel for, with Mr. Reinecke against.

Mr. Anderson of Illinois for, with Mr. Don H. Clausen against.

Mr. Jennings for, with Mr. Weltner against.

For this day:

Mr. Kluczynski with Mr. Fino.
Mr. Yates with Mr. Belcher.
Mr. Nix with Mr. Holland.
Mr. Powell with Mr. Dawson.
Mr. Resnick with Mr. Gray.
Mr. Hogan of Georgia with Mr. Irwin.
Mr. Purcell with Mr. Schmidhauser.
Mr. Moorhead with Mr. Cederberg.
Mr. Steed with Mr. Johnson of Pennsylvania.
Mr. Henderson with Mr. Harvey of Indiana.
Mr. Joelson with Mr. Gubser.
Mr. Blatnik with Mr. Halpern.
Mr. Bonner with Mr. Farnum.

Mr. RIVERS of South Carolina and Mr. MINSHALL changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MANPOWER ACT OF 1965

Mr. O'HARA of Michigan. Mr. Speaker, I call up the conference report on the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 12, 1965.)

Mr. O'HARA of Michigan (interrupting reading of the statement of managers on part of House). Mr. Speaker, the conference report and the statement on the part of the managers of the House has been printed in the RECORD and I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, the conference report which we bring back to the House is unanimous. It makes only two really significant changes from the House bill. The first is that authorization figures are inserted for the coming fiscal year as provided in the Senate bill rather than the House authorization of such sums as may be necessary for the coming fiscal year.

The second important difference was that the Senate bill provided for an extension of the authority under title II until 1970, while the House bill provided for such extension only until 1968. The conferees agreed upon an extension until 1969.

Mr. Speaker, I would like to cover one other point.

Some question has arisen with regard to the language on page 22 of the House Committee Report with respect to safeguarding against Manpower Development Training Act substitution for private training efforts. The language used therein refers to institution of Manpower Development Training Act programs in unskilled or minimally skilled occupations for which prior training or possession of a specific skill has not traditionally been a prerequisite to employment. It is the belief of the Committee that Manpower Development Training Act training in such situations would substitute for threshhold training normally undertaken at the expense of the employer and would not add to achieving the manpower goals which are the objectives of Manpower Development Training Act. The committee did not intend to imply that Manpower Development Training Act programs would not be available for training persons in technical and skilled occupations in the garment industry or any other industry for which prior training or possession of specific skills has traditionally been a prerequisite to employment. For example, it might be appropriate under the proper circumstances for Manpower Development and Training Act training to be utilized to provide skilled personnel for employment repairing, adjusting, maintaining and rebuilding machinery used in the apparel industry.

Mr. Speaker, if there are any further questions with regard to the conference report, I would be happy to attempt to respond. In the meantime, I yield to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I thank the gentleman for yielding. I will say that the gentleman from Michigan [Mr. O'HARA] states my understanding exactly as to what I believe is the congressional intent with respect to safeguarding against MDTA assistance for private training centers and its application to the apparel industry.

I might also say, Mr. Speaker, that I am in support of the conference report. I believe we reached a good compromise with the other body and it should be acceptable to all who supported this bill previously.

Mr. O'HARA of Michigan. I thank the gentleman from Minnesota.

Mr. Speaker, I now yield to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Speaker, I would like to join in recommending the adoption of this conference report. It is my opinion that the conferees have done a good job. Most of the House provisions have been retained. I further believe that we have substantially strengthened this bill.

However, Mr. Speaker, there is one question which I would like to ask the manager of the bill, the gentleman from Michigan [Mr. O'HARA] so that we can establish some legislative intent.

We have provided in this bill now a greater flexibility for the use of private school facilities as a part of the manpower training program.

Now, in some areas of the country the public schools have taken the position that where there is a need for a training

program and even though there is a private school that has such facilities available, the public schools must be given priority to develop a program before the Director of the MDTA can enter into agreement with the private school.

It is my understanding that the intent of the language of this bill is that if a private school is available and can provide the programs which would be available if a public school were to develop a similar program, the local director may enter into an agreement with the private school rather than wait until the public school tries to develop and put together a program to satisfy that need.

Is my understanding of this provision correct?

Mr. O'HARA of Michigan. I would advise the gentleman from Illinois [Mr. PUCINSKI] that his understanding is correct. As a matter of fact the conference report as the gentleman knows authorizes the use of private training facilities where they can expand the use of the individual referral method, a method we have found efficient in getting individuals into training quickly and at a substantial equipment savings in cost. This represents one of the advantages of the conference report.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Minnesota.

Mr. QUIE. As long as the cost is of the same amount for the private school, or thereabouts, it is acceptable. However, the public schools may still go ahead and put in the program, even though it would be substantially more expensive than the private school.

Mr. O'HARA of Michigan. The gentleman from Minnesota is correct.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CORRECTION OF ROLLCALL

Mr. ROONEY of New York. Mr. Speaker, I am informed that I was not recorded as voting on Rollcall No. 72. I was present and voted "yea." I ask unanimous consent that the rollcall be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tomorrow to file certain privileged reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRESIDENTIAL INABILITY AND VACANCIES IN THE OFFICE OF THE VICE PRESIDENT

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 314 and ask for its immediate consideration.

The Clerk read as follows:

HOUSE RESOLUTION 314

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H.J. Res. 1) proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office. After general debate, which shall be confined to the resolution and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the resolution shall be read for amendment under the five-minute rule. At the conclusion of such consideration the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the resolution or committee substitute. The previous question shall be considered as ordered on the resolution and amendments thret to final passage without intervening motion except one motion to recommit, with or without instructions. After the passage of H.J. Res. 1, the Committee on the Judiciary shall be discharged from further consideration of S.J. Res. 1 and it shall then be in order in the House to move to strike out all after the resolving clause of said Senate joint resolution and to insert the provisions of H.J. Res. 1 as passed by the House.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], pending which I yield myself such time as I may require.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Speaker, House Resolution 314 provides for consideration of House Joint Resolution 1, a joint resolution proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office. The resolution provides an open rule with four hours of general debate. After passage of House Joint Resolution 1, the Committee on the Judiciary shall be discharged from further consideration of Senate Joint Resolution 1, and it shall be in order to move to strike out all after the resolving clause of said Senate joint resolution and to insert the provisions of House Joint Resolution 1 as passed by the House.

Article II, section 1, clause 5, of the Constitution of the United States contains provisions relating to the continuity of the executive power at times of death, resignation, inability, or removal of a President. No replacement provision is made in the Constitution where a vacancy occurs in the office of the Vice President.

The clause couples the contingencies of a permanent nature such as death, resignation, or removal from office, with inability, a contingency which may be temporary. It does not clearly commit the determination of inability to any individual or group, nor does it define inability so that the existence of such a status may be open and notorious. It leaves uncertain the capacity in which the Vice President acts during a period of inability of the President. It fails to define the period during which the Vice President serves. It does not specify that a recovered President may regain the prerogatives of his office if he has relinquished them. It fails to provide any mechanism for determining whether a President has in fact recovered from his inability, nor does it indicate how a President, who sought to recover his prerogatives while still disabled, might be prevented from doing so.

The purpose of House Joint Resolution 1, as amended, is to provide for continuity in the office of the Chief Executive in the event that the President becomes unable to exercise the powers and duties of the office and, further, to provide for the filling of vacancies in the office of the Vice President whenever such vacancies may occur.

Mr. Speaker, I urge the adoption of House Resolution 314.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Iowa.

Mr. GROSS. I should like to express my appreciation to the gentleman for the fact that the Committee on Rules has finally brought us legislation under an open rule, so that we can amend it and otherwise work our will on it.

Mr. YOUNG. I appreciate the gentleman's observation.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Texas, my colleague on the Rules Committee, has explained, this rule makes in order, with 4 hours of general debate, House Joint Resolution 1, which in turn would amend the Constitution of the United States and put into the Constitution certain arrangements or procedures in connection with the line of succession to the Presidency and the filling of any vacancy that might occur in the Office of the Vice President.

In order for this resolution to be adopted by the Congress, a two-thirds or a two-to-one vote in favor of the House Joint Resolution is required. I do not oppose the rule. I am opposed to the House Joint Resolution because I believe it is unwise and unnecessary, and is legislation that should not be enacted.

I notice, as we look at the report concerning House Joint Resolution No. 1, there has been some divergence of view and the original author of the bill, or someone on the committee saw fit to strike out a great deal of the original House Joint Resolution and rewrite it,

bringing in a new resolution. There must have been some disagreement among those very able lawyers, 35 I believe, who make up the House Judiciary Committee. The report also has some minority or divergent views expressed.

If this joint resolution is approved by a two-to-one vote in both the House and Senate, the question of amending the Constitution will be submitted to the States, and will require a three-fourths vote, or 38 States, to ratify the amendment. I hope there will be enough judgment, sound judgment, in a sufficient number of legislatures in the several States of our Union to ensure that this amendment will never become a part of the Constitution.

I am not setting myself up as a constitutional lawyer, more able and wise than those who serve on the distinguished Judiciary Committee.

Yet, I am not unmindful of the fact that the Constitution itself—and it is still a rather important document, although it seemingly has lost some caste in the minds of some people here in the Capital City—which sets up the office of the Presidency, provides that the responsibility of fixing the line of succession and of filling any vacancy which may exist in the office of the Presidency rests entirely with the Congress of the United States.

I direct your attention to article II:

> In case of the removal of the President from office, or at his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

The Congress, by statute, has provided for a line of succession in the office of the Presidency. That statute still is in existence. In my opinion, it is a grave mistake to freeze into the Constitution another provision because conditions can change. It is a grave mistake to authorize another provision and not meet our own responsibility in fixing a line of succession by statutory enactment.

Let me remind you that this resolution also provides that the President shall, in case of a vacancy in the office of Vice President, appoint a Vice President subject to the approval of the Congress. In other words, we could disapprove. I made a statement when this bill was before the Committee on Rules, and I stand on that statement today. Under certain conditions and certain circumstances, a vacancy could exist in the Vice-Presidency and a President could name a billy goat as Vice President and some Congresses would approve of that nominations and that selection.

I think that inasmuch as the Constitution itself provides that the House of Representatives shall have the responsibility of electing a President, in case an electoral college cannot select a President, that it might be wiser to provide by statute or constitutional amendment, that in case there is a vacancy in the office of Vice President, that the vice-presidency shall be filled by a vote of the House of Representatives just as the Presidency is filled by a vote of the House of Representatives under Article II of the Constitution. What is the difference? Why should we agree here and write into the Constitution that which the Founding Fathers refused to do—that the President can in his wisdom name his own successor? If you will read the constitutional debates held when this Nation was founded, you will see that there were delegates to the Constitutional Convention who believed that George Washington should be named a monarch and that there be a line of succession from him. The Convention decided otherwise and I think wisely so, and provided that the people should elect their President and Vice President through the electoral college and, if the college could not agree on a President, the House of Representatives should elect a President, and the line of succession should be fixed by statutory enactment of the Congress. That is exactly what has been done. Why change it now?

Why go back to the theory and idea that the President can name whomever he pleases as Vice President and put his choice in a position to succeed him if he wishes to resign the next day as President? The man named Vice President could be an individual who was never elected to any public office. Congress in the line of succession statutes now provides that those who have been elected—the Speaker of the House and the President pro tempore of the Senate—shall succeed to power and authority as President.

In my opinion, we will be making a grave mistake if we adopt this resolution in the House today. Oh, I know, the way is pretty well greased for it. It has the support of some very able individuals. But I have a right to stand here and differ with them, because they may be wrong. When one is wrong in amending the Constitution, it is a difficult wrong to correct. Members have learned this by hard experience in the last few decades.

When we amend the Constitution, to fix in the document itself, certain things that should be done by statute, we are doing something dangerous and something we may regret in future years. Too often we have to try to interpret, either ourselvse or through the courts, exactly what the provisions mean. Some of the testimony heard before the Rules Committee indicates that under certain circumstances even the members of the committee who sponsored this resolution are not certain of the answers to the problems which could arise.

Why shackle ourselves? Why say that we, as the representatives of the people, will vote away our own responsibilities and write into basic law something that cannot be corrected easily if we make a mistake?

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. DEVINE. When the committee appeared before the Rules Committee on this legislation, does the gentleman know whether any consideration was given to a possible constitutional amendment to permit the people to select a first Vice President and a second Vice President, rather than to leave the choice up to the President in case of a vacancy? There was some talk at one time that perhaps if there were a first and second Vice President, in the event of a vacancy in the Presidency, each would move up and we would not face the problem of a vacancy in the office of Vice President. Does the gentleman know whether that was considered?

Mr. BROWN of Ohio. I cannot say what may have been considered by the Judiciary Committee. I do not believe that matter was discussed in the Rules Committee.

Mr. DEVINE. I thank the gentleman.

Mr. BROWN of Ohio. I remind my distinguished colleague from Ohio of the fact that we do provide, under the line of succession, that the Speaker of the House, elected by the people of his district and in turn elected to his high position by a vote of the majority of this House, shall succeed to the Presidency. That was the situation until last January 20, and had been for over 1 year. In my opinion, it was a very safe situation. I was not concerned about the welfare of my country so long as I knew that the Speaker of the House would succeed to the Presidency if it became necessary. Nor was I concerned by those who followed him under the statutory line of succession.

I believe that perhaps in our desire to meet every condition which might possibly arise as a result of past history, or some of the things that frighten us a bit, we have gone overboard.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. This resolution has some very meritorious provisions in respect to the inability of the President, but I have been quite concerned about the change in the line of succession. Now the Speaker of the House is second in the line of succession. This would not completely remove the Speaker of the House from the line of succession but, as a practical matter, would it not remove the Speaker?

Mr. BROWN of Ohio. Not if the President, who might have been the Vice President and is President, wished to name the Speaker.

Mr. ICHORD. Does the gentleman consider this measure as diminishing the prestige of the House?

Mr. BROWN of Ohio. Certainly. It takes away from the House a constitutional right it now has to select a President. How can anyone justify the idea that the House of Representatives can be trusted to select a President but cannot be trusted to select a Vice President?

Now I want to answer the gentleman from Missouri [Mr. ICHORD], further about this disability situation. Our Founding Fathers had pretty good foresight themselves. The Constitution itself says that:

> The Congress may by law provide for the case of removal, death, resignation, or in-

for the

of

Welfare, a

Public Law 89-15
89th Congress, S. 974
April 26, 1965

An Act

79 STAT. 75.

To amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manpower Act of 1965". Manpower Act of 1965.

SEC. 2. Section 101 of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by inserting before the last sentence thereof the following new sentence: "The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions, where such training would further the purposes of this Act." 76 Stat. 23. 42 USC 2571.

SEC. 3. (a) Section 102(5) of the Act is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma. 42 USC 2572.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act."

SEC. 4. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections: 42 USC 2573, 2574.

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

Limitations.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than $5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than $200,000 and $300,000, respectively, may be used for the purpose of carrying out this section."

76 Stat. 24.
42 USC 2572.

(b) Section 102(2) of the Act is amended by striking out "104" and inserting in lieu thereof "107".

SEC. 5. Section 202(i) of the Act is amended by striking out ", and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks". 77 Stat. 422. 42 USC 2582.

SEC. 6. (a) Section 203(a) of the Act is amended as follows: Training allowances. 76 Stat. 26; 77 Stat. 422. 42 USC 2583.

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed $10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by $5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.";

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph."; 68 Stat. 1130; 72 Stat. 1087. 42 USC 1361-1371.

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week." 76 Stat. 28,30; 77 Stat. 424. 42 USC 2584, 2601.

(b)(1) Section 203(b) of the Act is amended by striking out the matter following "to defray transportation" and preceding "*Provided*", and by inserting in lieu of such matter the following: "expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:". Transportation and subsistence expenses. 76 Stat. 27. 42 USC 2583.

(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: ", except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transporta- 63 Stat. 166; 75 Stat. 339, 340.

tion and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe".

Conditions.
77 Stat. 422.
42 USC 2583.

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" in the first sentence and insert "at least" in lieu thereof;

(2) Strike out everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: ": *Provided*, That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further*, That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section.";

68A Stat. 3.
26 USC 1 et seq.

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training."

Repeal.
76 Stat. 27;
77 Stat. 423.
42 USC 2583.

(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such section are redesignated as (d), (e), (f), (g), (h), and (i), respectively.

(e) The first sentence of section 203(g)(2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

Repeal.
77 Stat. 423.
42 USC 2588.

SEC. 7. Section 208 of the Act is repealed.

Agreements with states.
42 USC 2601.

SEC. 8. Section 231 of the Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind,

fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 9. (a) Title II of the Act is amended by adding part C to the end thereof to read as follows: 76 Stat. 25. 42 USC 2581-2602.

"PART C—REDEVELOPMENT AREAS

"SEC. 241. The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that— 77 Stat. 422. 75 Stat. 47. 42 USC 2501 note.

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided*, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act; Training allowances. Ante, p. 77. 42 USC 2583.

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and Regulatory authority.

"(4) no funds available under this section shall be apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required." 76 Stat. 30. 42 USC 2611.

(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed. The repeal of these sections shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to the Area Redevelopment Act prior to the effective date of the repeal of such sections. Repeal. 75 Stat. 58.

(c) This section and the amendments made by it shall take effect on July 1, 1965.

SEC. 10. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso: "*Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year." 42 USC 2611.

SEC. 11. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" insert- 42 USC 2612. 20 USC 15i and note.

79 STAT. 80.

ing a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946,".

77 Stat. 403.
20 USC 35 note.

SEC. 12. Section 304 of the Act is amended to read as follows:

60 Stat. 775.
20 USC 15i note.
76 Stat. 31.
42 USC 2614.

"APPROPRIATIONS AUTHORIZED

Ante, pp. 75, 76.
42 USC 2571-2574.

"SEC. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of $46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

42 USC 2581-2602.

"(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of $385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

Ante, p. 79.

"(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of $22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

42 USC 2611-2620.

"(d) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of $1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary."

42 USC 2615.

SEC. 13. The following subsection is added to section 305 of the Act to read as follows:

"(e) the costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965."

42 USC 2616.

SEC. 14. Subsection (a) of section 306 of the Act is amended by inserting after "procedures," the following: "including (subject to such policies, rules, and regulations as they may prescribe) the approval of any program under section 202, the cost of which does not exceed $75,000,".

42 USC 2582.

77 Stat. 424.
42 USC 2619.

SEC. 15. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year".

42 USC 2620.

SEC. 16. Section 310 of the Act is amended by striking out "1966" wherever it appears and inserting in lieu thereof "1969".

Approved April 26, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 170 accompanying H. R. 4257 (Comm. on Education & Labor) and No. 231 (Comm. of Conference).
SENATE REPORT No. 123 (Comm. on Labor & Public Welfare).
CONGRESSIONAL RECORD, Vol. 111 (1965):
Mar. 16: Considered and passed Senate.
Apr. 1: Considered and passed House, amended, in lieu of H. R. 4257.
Apr. 9: Senate agreed to conference report.
Apr. 13: House agreed to conference report.

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